

NEWS SUMMARY

GENERAL

'Zambia training camp' attacked

Rhodesian Air Force planes yesterday attacked a Zambian National Service training camp in the Central Province, north of Lusaka, a Zambian Government spokesman said. The spokesman gave no further details. It is the first Rhodesian air raid on a purely Zambian target. It was not immediately clear why the Rhodesians should attack a Zambian National Service centre, and there was speculation that they might have mistaken it for a ZARU black nationalist camp.

Namibia move

The South Africa-sponsored Namibian Constituent Assembly agreed in principle to plans for a UN-supervised election in the territory next year. But it set out a series of preconditions for final acceptance of such a scheme. *Back Page*

Search called off

An Atlantic search for the 37,000 tons, a West German container ship insured for a record \$52m and missing for 11 days with 28 people on board, was called off.

SALT progress

U.S. and Soviet negotiators reported further progress towards conclusion of a Strategic Arms Limitation Treaty (SALT II), and said they would extend the talks into a third day today.

Heathrow chaos

Thousands of Christmas holiday passengers were stranded at Heathrow yesterday, when dozens of flights were cancelled or diverted as thick fog shrouded the airport. A British Airways spokesman said the situation could "only get worse".

Briefly...

Denmark's Prime Minister Anker Jørgensen dismissed his Education Minister, Miss Ritt Bergegaard.
Fastest selling Christmas toy has been the new TV video games which can be played on domestic sets. *Page 3*
Propane gas cylinder, heated by roadwork flames, rocketed into a nearby street and killed two people in Düsseldorf, West Germany.
Madrid bank clerk won a £200,000 jackpot in Spain's Christmas lottery with the same number—15640—that made his father rich 22 years ago.
Pope John Paul II will visit Mexico next month.

RADIO & TV SPECIAL

Centre Pages



THE FINANCIAL TIMES

wishes its readers
a happy, and restful,
Christmas

CHIEF PRICE CHANGES YESTERDAY

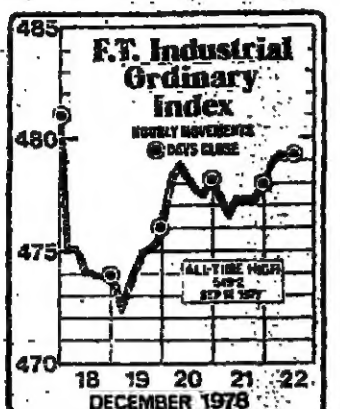
(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Treasury 3 1/2p	79.51 + 1	NatWest	288 + 6
Transport 3 1/2p	78.58 + 1	News Int.	278 + 5
Amf & Wiborg	451 + 3	Property Part'ships	106 + 6
Baker Perkins	146 + 11	Ransom (W.)	300 + 5
Beecham	626 + 6	Tesco	54 + 1
Common Bros	187 + 9	Trust Houses Forte	258 + 4
Electronic Rentals	150 + 5	Cinzine Rofitino	280 + 4
Gulfsink Props	95 + 7	East Driefontein	658 + 19
Guthrie (A.)	168 + 4	West Driefontein	523 + 1
HK & Shanghai	264 + 14	Western Deep	739 + 20
ICI	369 + 4		

BUSINESS

Equities quiet; Gilts improve

● EQUITIES trading produced the smallest volume of business since December, 1974. *Official*



markings of 1,793 took the FT ordinary index 1.1 up to 479.3.

● GILTS improved on renewed hopes that short-term interest rates may ease early in the New Year. The Government Securities index closed 0.12 up at 98.57.

● STEELING rose 50 points to \$2,060 and its trade-weighted index rose to 63.4 (63.3). The dollar's depreciation widened to 8.4 per cent (9.3).

● GOLD closed \$2 up at \$215 in London.

● WALL STREET was 11.26 up at 306.05 just before the close.

● U.S. INFLATION rate, as measured by the Consumer Price Index, rose by 0.5 per cent in November. *Back Page*

● ITALY had a balance of payments surplus of L.6,929bn during the first 11 months of this year, according to provisional figures from the Bank of Italy. The Italian Government of Sig. Andreotti is coming under increasing pressure to boost growth. *Page 2*

● MONOPOLIES COMMISSION will not investigate GEC's joint venture with Hitachi nor Associated Biscuit Manufacturers' £16.4m purchase of the Smiths crisps and snacks business. Prices Secretary, Mr. Roy Hattersley, has announced.

● WEST GERMAN monopolies commission has urged that BP's stake in Veba's subsidiary, Ruhrgas, should be limited to 9 per cent, rather than the 25.6 per cent that BP agreed with Veba in the summer. *Back Page*

● GATT Tokyo Round negotiators are confident that President Carter will be able to start ratification in Congress of a new international trade reform and liberalisation agreement early in the New Year. *Page 2*

● EEC JOBLESS fell in November by about 7,000 to 6,032m, the Common Market statistical office has said. Compared with 1977 however, the November figure represents a 1.1 per cent rise in unemployment.

● BRITAIN has signed a new aviation agreement with Sweden, Norway and Denmark to introduce new services and cut economy fares next summer by about 5 per cent. *Back Page*

● TUNNEL HOLDINGS shareholders have approved the group's £10.5m purchase of Barrow Hepburn's specialist chemicals division—in spite of strong opposition from Tunnel's largest shareholder, Thomas Ward. *Back Page*

● INMOS, the company established by the NEB to manufacture microelectronic chips, is to site its research centre in Bristol. The company is looking for four manufacturing sites. *Back Page*

● HOOVER, the domestic appliance manufacturer has rejected a 15 per cent wage claim from its 4,900 workers at Merthyr Tydfil in South Wales, and sent redundancy notices to 280 employees. *Page 17*

Esso pay moves may avert strike by tanker drivers

BY NICK GARNETT, LABOUR STAFF

The prospect of averting a national tankers-drivers' strike from January 3 improved significantly yesterday when union negotiators agreed to recommend acceptance of a pay and productivity offer from Esso.

Other big companies, including Shell, British Petroleum and Texaco, are expected to make similar offers to their drivers next week if Esso's proposals, thought to be worth about 15 per cent, are accepted.

Tanker drivers throughout Esso's network of depots agreed to end immediately their overtime ban which has been disrupting supplies. Texaco and BP were attempting to have their drivers' overtime ban lifted.

The threat of a strike has been causing industry and Government deep concern.

A detailed contingency plan showing how and where the Government would use troops to maintain essential services was given to Mr. Moss Evans, general secretary of the Transport and General Workers Union, at meetings with Ministers earlier this week.

The Civil Contingency Unit of the Cabinet Office estimated that only about 25 per cent of normal supplies could be made available if there were a strike. This would necessitate strict rationing.

The Confederation of British

Industry has maintained close contact with the Department of Energy, and made a study of the potential effects on industry of a strike.

Union officials appear quite confident that Esso's offer will be accepted, with the decision likely to be known by Wednesday.

Earlier this month negotiators saw their recommendation to accept an 11 per cent offer from Mobil rejected by that company's drivers.

The Esso proposals were made in 14 hours of negotiations which ended at 5 am yesterday. Shell and Mobil are due to reopen negotiations next Wednesday, and BP and Texaco the following day.

The drivers have submitted a claim valued at more than 50 per cent by the companies, including an improvement on the basic rate of between £75 and £90. They have also sought a new "calculator" rate for overtime and shift pay, now £59, of £90.

Esso's offer involves a joint basic rate and calculator of £78; improved holiday pay; over-

night subsistence allowance; and special Northern Ireland allowance.

As part of the productivity element the company has looked for a saving on working time of between 10 and 25 minutes a day.

Sue Cameron writes: There were long queues outside petrol stations yesterday as motorists tried to stock up on fuel to beat the tanker-drivers' overtime ban.

Police in London said drivers were queuing purely because of fears of a petrol shortage. There were usually plenty of garages open in the pre-Christmas period, and motorists did not normally have to queue.

Outside some petrol stations queues half a mile long formed and in certain areas brought traffic to a halt. Police temporarily closed at least one petrol station in London to get traffic moving.

Scotland Yard said that police had the right to shut garages if queues outside them started causing an obstruction to traffic flow.

Seamen's settlement, *Page 3*

Canada faces dilemma over paper groups' link

BY ROBERT GIBBENS

MONTREAL—The Canadian Government is faced with a takeover move which would create a forest products group with sales of C\$ 3bn (£1,270m) a year and major international interests.

MacMillan Bloedel, the biggest paper company in Canada, is bidding for a controlling shareholding in Donmar, another major Canadian pulp and paper group, as a direct counter to a move by Donmar to buy the capital of MacMillan Bloedel.

Last night the Quebec Securities Commission issued a 15-day lease trading order in Donmar securities.

If the Federal Government allows the merger of MacMillan Bloedel, based in Vancouver,

and the Montreal-based Donmar, logically it would have to allow further concentration in the industry, such as the possible merger of Abitibi Paper and Consolidated-Bathurst.

The critical move came on Thursday, when Donmar, up to that point firmly controlled by Argus Corporation, the big Toronto holding company which also controls Massey Ferguson and Hollinger Mines, made a bid in stock and cash worth nearly \$600m for the shares of MacMillan Bloedel.

A key to the outcome may be the 13.4 per cent of MacMillan Bloedel held by Donmar Pacific. Of the two opposing bids the MacMillan Bloedel one for Donmar seems the most likely to succeed at this point. Canadian paper battle, *Page 14*

its total holding to roughly 51 per cent. The bid puts a value of nearly \$400m on the total Donmar equity.

The counter move confirmed concentration within the Argus Corporation management, which has seen recent changes. The new controlling group, it is believed, was willing to sell the Argus stake in Donmar, while directors of Donmar, representing the old-line Argus management, wanted to hold on and tried to block the deal by bidding for MacMillan Bloedel.

A key to the outcome may be the 13.4 per cent of MacMillan Bloedel held by Donmar Pacific. Of the two opposing bids the MacMillan Bloedel one for Donmar seems the most likely to succeed at this point. Canadian paper battle, *Page 14*

Government sets cash targets for gas and electricity supply

BY SUE CAMERON

THE GOVERNMENT has set specific financial targets for the gas and electricity supply industries for the first time in ten years. British Gas is to aim at a 6.5 per cent return on turnover, after interest, next year, and electricity supply is to go for a 10 per cent return on average net assets, before interest.

The targets accord with recommendations in the White Paper last March on the nationalised industries. They will mean increases in the prices of gas and electricity. However, the Energy Department said yesterday that the 1979-80 prices "should no more than maintain their present levels in real terms".

British Gas welcomed the formal targets yesterday while

reassuring customers that tariffs would not be increased until next April, as promised.

The Corporation has been pressing the Government for formal targets for two years, but is thought to have wanted a target on a rolling basis, covering several years. It is therefore unlikely to be pleased that Mr. Anthony Wedgwood Benn, the Energy Secretary, has chosen a one-year target.

British Gas made £180m profit in the year ending last April. That represented a 7 per cent return on turnover after interest. The size of the profit caused some outcry and that is a reason why the corporation has been anxious for a specific target.

British Gas said yesterday that it had for some time been

anxious to "have something to work up". Hitherto it has had merely a statutory duty to cover costs and make adequate allocation to reserves.

Demand for gas, however, depends on the weather: profits are always higher during a cold winter. That is thought to be the main reason why British Gas would probably have preferred a target covering several years.

Introducing specific targets will give the Government greater control over such things as gas depletion rates and consumption rates. The Energy Department said yesterday that factors taken into account in setting the target included financial policy, energy policy and the importance of containing inflation.

BBC strike called off

By Christian Tyler, Labour Editor

THE BBC strike was called off last night.

With unusual speed, the Central Arbitration Committee announced a 12 1/2 per cent general pay award to the BBC's 22,000 staff after a day's hearing of an application brought under Schedule 11 of the Employment Protection Act.

With this preliminary award — statutorily exempt from pay controls — in their grasp, BBC managers and officials of the main union, the Association of Broadcasting Staff, went on to a meeting with the Advisory, Conciliation and Arbitration Service.

Meanwhile, BBC 1 and BBC 2 television remained out of action, and from 4 pm the corporation was reduced to transmitting the same news and music programme from all four of its domestic radio channels.

World Service broadcasts were cut from the same time. An overtime ban by the union was stepped up yesterday afternoon following a dispute about the use of contractors to cover news stories, and the subsequent suspension of 12 union members.

The original action was over pay.

Last night's award, although not specifically directed at the BBC's grievance about the disparity of earnings between its staff and those employed by independent radio and television, appeared to be some way towards meeting it.

The Home Office has complained about the BBC's latest pay offer. But, in an apparent weakening of its line, it has said that any breach of the pay guidelines will be taken into account in considering any future application for an increase in the TV licence fee. That is at least a year away.

The arbitration committee has asked both sides to return for further discussion of the award, when special anomalies will be reviewed.

Yorkshire Television, one of the independent companies, said last night it would probably not be able to provide any service at all over Christmas. The company, which has been off the air since Monday because of a productivity dispute, said local members of the Association of Cinematograph, Television and Allied Technicians, had not been prepared to fulfil a return-to-work agreement worked out with national and local officials of the union.

West End stores' sales hopes dashed

BY DAVID CHURCHILL AND COLIN VEITCH

RETAILERS' hopes for a record Christmas have been dashed in London, but many provincial centres report record sales.

While the value of retail spending has risen sharply, the volume of trade appears not to have grown so fast. In addition, the preference shown by shoppers last year towards shopping locally rather than taking trips to central London seems to have been repeated.

This is in spite of the £150,000 investment by the Oxford Street stores on their laser lights display as well as some £80,000 spent by the Regent Street stores on more traditional lighting.

Bombings

While the Oxford Street lights have attracted large numbers of visitors it is felt many shoppers have been disappointed.

The recent wave of bombings in shopping centres also appears to have hit the central London shopping areas more than provincial centres, although most stores believe the threat of explosions has had only a very marginal effect on sales.

The pattern of Christmas spending has been further confused by a number of factors. One is the high level of consumer expenditure throughout the year which has left little scope for a sharp increase in the past few weeks.

The relatively mild weather for much of the autumn delayed the start of the traditional Christmas build-up because, according to one retailer, "shoppers did not feel it was cold enough for Christmas".

Outside London most provincial stores have been very busy and have achieved sales in excess of last year's record figures. James Beattie, the Midlands-based department store group, reports both sales and volume substantially up on last year.

Owen Owen, the Liverpool-based stores group, also reports trade well up on last year, especially at the top end of the price range with suede and leather coats doing especially well. Shoppers are also buying more practical gifts this year.

The John Lewis Partnership, which has 17 stores in London and the provinces, also reports record sales. These reached £10m last week for the first time—a jump of about 23 per cent on the equivalent week last year.

Food retailers also expect to do well as usual this year. John Lewis Waitrose supermarket chain had sales of £5.5m last

week, a rise of over 16 per cent. Tesco also reported yesterday that it has achieved its best-ever trading figures this week with sales of more than £40m. A record number of turkeys—1m—have also been sold by Tesco this year.

The overall reluctance by consumers to make this Christmas the biggest ever spending spree may also reflect some concern about the economy and political situation in 1979. This was suggested in the latest Financial Times Survey of consumer confidence, published earlier this week, which revealed that three-quarters of those surveyed intended to spend the same or less on Christmas this year than last.

For most of the big London stores, the pre-Christmas trading period finished last night so there is no chance of a last-minute rush today. The major stores have decided to shut today to enable them to reopen next Wednesday with their bargain sales.

SE calm

Christine Moir writes: Barely a ripple disturbed the pre-Christmas calm of the Stock Exchange yesterday. Only 1,793 dealers were transacted by the time the market closed at 1 pm.

This is the second lowest figure ever recorded apart from freak wartime occurrences. The lowest figure, 1,143, was recorded on December 27, 1974 at the nadir of the last Stock Market slump.

Last year, although the trading floor closed an hour earlier, some 2,219 markings were registered.

Best selling games and holiday traffic report, *Page 3*

Publisher's notice

The Financial Times will not be published on Christmas Day and Boxing Day. The next issue will be on Wednesday December 27.

The issue of Saturday December 30 will contain special articles on the economic outlook for 1979 in the UK and the rest of the world, together with forecasts of the prospects facing major industries.

£ in New York

— Dec. 21 — Previous

Spot	£1.2859	2.0010	52.0010-0125
1 month	0.15-0.08	dis	0.29-0.23
3 months	0.40-0.32	dis	0.67-0.59
12 months	2.00-1.90	dis	2.35-2.20

WE'RE HOPING FOR CHRISTMAS ON A SUN DAY

By this time every child in the country knows that Christmas is on Monday this year. So does every adult, to their cost.

In Northampton there's an old saying that if the sun shines on Christmas Day, no matter how briefly, the ensuing year will be a fruitful one. That's why we're hoping for Christmas on a sun day. A sunny day — even if it's Monday.

Today's Northampton is a thriving industrial and commercial centre as well as an historic county town. We don't depend on the old superstitions for our success any more. Yet somehow it's nice to know they're still around.

BEST WISHES FOR A MERRY CHRISTMAS. MAKE IT A HAPPY NEW YEAR BY MOVING TO NORTHAMPTON.

Leslie Austin-Crowe, BSc, FRICS
Chief Estate Surveyor

Northampton Development Corporation,
2-3 Market Square,
Northampton NN1 2EN,
Telephone (0604) 34734



Sadiqi said to face problems forming new Iran Government

BY SIMON HENDERSON

TEHRAN—Dr. Gholam Hossein Sadiqi, the man who will probably emerge as Iran's new Prime Minister over the next few days, is reported to be having difficulty in forming a new government.

Not only has the main political opposition, the National Front, warned him against pursuing his aim, but word has also come from the Ayatollah Khomeini, the exiled religious leader, telling him to wait.

However, such a government still seems likely as the Shah tries yet one more manoeuvre within the established form of political change to ward off more revolutionary action. Opposition against the formation of a new government shows signs of being less than united as the various anti-Shah factions watch to see what concessions Dr. Sadiqi will win from the Shah over control of the country.

The present Administration seems to be orchestrating a careful preparation of its own downfall. On Thursday, at a meeting of the Lower House, a body which supports the Shah almost completely, there was criticism of the present govern-

ment, led by General Azhari, a senior military commander.

Observers here were surprised not so much by the content of the speeches as by the way the adverse comment was reported on state-controlled radio and television. Also, in previous days, new rules were brought in regarding the entry of soldiers to hospitals — an example of restraint following an incident when two doctors and two children were killed during a raid on a hospital by troops.

Parliament has now adjourned for 3 weeks, just two days before it was due to debate three crucial motions against the Government. Mr. Bani-Ahmad, who is close to the opposition, said that it did not matter that the motion would not be debated immediately because "the present Government only had two or three days to run."

The new government is seen as a poker-style gamble by the Shah, who has now started to operate efficiently again. He is said to be trying to manipulate the result to the advantage of his own perception of Iran's future, without having to abdicate or accept a regency council.

Observers say the broad section of middle opinion still provides a fertile area for exploitation. There are those who neither want the Islamic state of Ayatollah Khomeini nor the military government which might result from further attempts to remove the Shah.

Dr. Sadiqi, who accepted the Shah's offer of trying to form a government, is a 73-year-old philosopher and sociologist who had belonged to the National Front during the premiership of the ultra-nationalist of the 1950s, Dr. Mossadeq. Despite being a government minister twice at that time, he has had nothing to do with the present anti-Shah opposition by the National Front.

He is reported to be looking for Cabinet members with new faces, people who have not served in government posts for the past 25 years. This will be no easy task, given the way the Shah has changed his ministers. Apart from old politicians, Dr. Sadiqi is said to have sounded out several of his former students, some of them members of the National Front. Dr. Shapour Bakhtiari, the Front's deputy leader, is also said to have been approached.

GATT reform plan likely for New Year

By Reginald Dale

GENEVA—Tokyo round negotiators at the GATT talks are now confident that President Carter will be able to start congressional ratification of a major new international trade reform and liberalisation agreement early in the New Year. As the talks here advanced until January 3, the U.S. and the EEC issued a joint statement regarding "significant progress" on all the main subjects under discussion in the five-year-long negotiations.

A number of important issues remain to be settled in early 1979, but the general view here is that the U.S. has now secured enough bilateral agreements with other industrialised countries, including Japan, to enable the Administration to claim that a final deal is in sight.

The Administration needs to go to start congressional procedures on two fronts. First, it must start the lengthy ratification process, second, it must table legislation to prevent the imposition of new countervailing duties on U.S. imports early in the New Year — a precondition for the EEC's acceptance of the final package.

The biggest outstanding problem between the U.S. and the Community is the balancing of industrial tariff cuts — a process described as "difficult and time-consuming" in yesterday's joint statement.

Tariffs also are one of the main issues still dividing the EEC and Japan. The Japanese tariff-cutting offer, according to the EEC, amounts to a reduction of only about 25 per cent against the overall 30 per cent average expected to emerge from the round as a whole.

The Community is likely to withdraw some of its earlier tariff-cutting offers to Japan if Tokyo makes no further concessions. The Community also feels that Japan has not made adequate proposals for opening its market to EEC processed agricultural products.

Japan and the Community are still seeking a deal under which the Japanese would accept the selective safeguard measures the Community is seeking for use against cheap imports. In return, Japan would be required to remove existing barriers to Japanese exports by a number of EEC countries.

These include bilateral safeguard treaties such as those between Japan and the UK, France and the Benelux countries, and quantitative restrictions against Japanese imports imposed by France and Italy.

There are good chances that such a bargain can be negotiated in the New Year. But the overall package concluded between the Community and Japan may be less far-reaching than those between the EEC and the U.S. and the U.S. and Japan.

SALT talks make slow progress
By Our Own Correspondent

GENEVA—The U.S. and the Soviet Union were yesterday making slow progress in their attempt to hammer out the final details of a new Strategic Arms Limitation Treaty (SALT 2) on the second day of negotiations here between Mr. Cyrus Vance, the U.S. State Secretary, and Mr. Andrei Gromyko, the Soviet Foreign Minister.

American officials said: "Real substantive work remains to be done." Mr. Holding Carter, the State Department spokesman, said more ground had been covered at yesterday's session, and that all the main outstanding issues had been discussed. The talks had not run into unexpected snags. But important issues remained to be resolved.

The talks originally scheduled to end last night, are now certain to continue today. This means that Mr. Vance's peace round of Middle East peace talks in Brussels may not start until tonight.

Fiat engine deal with Venezuela
By Our Own Correspondent

ROME—Fiat, Italy's largest private enterprise, has signed a contract to build a four-cylinder petrol car engine for Venezuela. It was announced in Turin yesterday.

Fiat decided to put a value on the deal which was signed with the Venezuelan Government. It said the engines were destined for the Venezuelan market and for other Andean pact countries. They would be constructed at a new plant in the industrial zone of Barcellona, 300 miles from Caracas.

Plant capacity is expected to total 40,000 engines a year from 1980 and 700 people are expected to be employed. Control will be by a mixed company with a majority Venezuelan shareholding.

Suarez ponders election option

BY ROBERT GRAHAM

MADRID—Sr. Adolfo Suarez, the Prime Minister, is under increasing pressure to spell out his plans either to seek a Parliamentary vote of confidence or opt for a general election. His refusal to reveal his hand since the December constitutional referendum is beginning to create an atmosphere of drift.

Under an appendix to the constitution the Prime Minister, after the approval of the referendum, can opt for a confidence vote or a general election, or both. He must announce his decision within 30 days of the referendum appearing in the official bulletin. This 30-day period will not begin to run until December 27, the day when the constitution is solemnly sworn into force by the King in a special Parliamentary session.

At present Sr. Suarez's party, Union de Centro Democrático (UCD), has 165 of the 350-seat lower House of Parliament. To win a vote of confidence, Sr. Suarez must obtain an absolute majority the first time round. If

he fails to gain this, a simple majority will thereafter suffice. It is more or less taken for granted that Sr. Suarez would be able to win a simple majority. However, if he wishes to obtain an absolute majority, he will have to do a deal with one or more of the minority groups, like the Catalans or the Basque nationalists.

He risks more complex horse-trading to win the support of the large parties, the Socialists, the Communists and the Right-wing Alianza Popular.

Political observers believe that Sr. Suarez is not happy about doing a deal with the large Parliamentary parties, as this would commit him to collaborate more closely with them for the remainder of his term through to 1981.

The advantage for Sr. Suarez in dissolving Parliament and calling a snap election is twofold. A fresh general election could increase UCD's parliamentary strength. The latest opinion polls, while showing a large number of abstentions, gave a sharp upswing in Sr. Suarez's own ratings against

those of his main rival, the Socialist Sr. Felipe Gonzalez. Elections would also, hopefully, confirm the electorate's view of Sr. Suarez not merely as a transitional Prime Minister — but as a more permanent political figure.

A general election would also tend to lessen the impact of municipal elections, which must be held this year — theoretically within 90 days of the ratification of the constitution — at the municipal level there is expected to be a sharp swing towards the Communists and Socialists.

The Socialists and Communists have indicated that they will abstain in a vote of confidence. The Socialists have betrayed from either opposing or supporting a general election, contenting themselves with insisting on municipal elections. The Communists would like a vote of confidence and Sr. Suarez to then form a new government with the Socialists, which they would support. The right-wing Alianza Popular wants to see a "neutral" government formed, which

would then prepare a general election. Influential people within Sr. Suarez's own party are urging him to opt for an election. Among those favouring this approach is Sr. Rafael Arias Salgado, the UCD Secretary General.

However, such a course has its risks. The constitutional referendum which Sr. Suarez sought to use as an endorsement of his Government was not as positive as hoped. A general election will also disrupt national life at a moment when important economic decisions need to be taken on wages and investment in 1979.

The disruption will be even greater if an election is followed quickly by municipal elections. Initially Sr. Suarez was said to have considered holding the two together. But this, apparently, poses considerable organisational problems. The setting of political circles is that Sr. Suarez will now wait until after January 6 to make an announcement. This is when the Spanish complete their Christmas.

Andreotti faces pressure to reflate as trade improves

BY PAUL BETTS

ROME—The spectacular recovery of Italy's balance of payments was confirmed yesterday by provisional Bank of Italy figures showing a surplus of L5,929bn during the first 11 months of this year compared to some L1,800bn during the same period last year.

In November, the monthly payments surplus totalled L324bn as against L33bn in the same month last year. This marked improvement is, in part, the result of increased export performance and record tourist receipts of some L5,000bn this year, but it also reflects the decline in imports as a consequence of the prolonged recession.

The Government is now coming under heavy pressure to boost growth and to promote a series of ambitious job-creating investments. It has warned,

however, that the country's economic momentum could be increased only if the economy's fundamental structural weaknesses were removed.

To this effect, the minority Christian Democrat Government is to present the details of its long-awaited three year (1979-81) recovery plan to the political parties supporting it in Parliament early in the New Year.

While broad agreement has been reached over measures to reduce the country's enormous enlarged public sector deficit, no such consensus has so far emerged over the Government's efforts to introduce an incomes policy. Indeed, the Government is increasingly coming under criticism from the trade unions, and the left-wing parties on this issue.

The latest controversy in the rapidly accumulating issues

undermining Sig. Giulio Andreotti's minority administration are a series of nominations for the chairmanships of Italy's biggest state conglomerates.

The Cabinet is scheduled to propose before Christmas a list of names for the giant IRI State holding company as well as for ENI, the State hydrocarbons agency, ENEL, the national electricity and energy board, ENP, another State holding, and INA, the national insurance group.

In view of the considerable political power that goes with these top State jobs, the build-up to the nominations has been particularly unsmooth, generating major frictions within the Christian Democrat Party and between the ruling party and the Communists and Socialists, currently supporting the Government. Increasingly critically, the Andreotti administration.

Cautious budget likely in Japan

By Richard C. Haines

TOKYO—Japan's Finance Ministry is putting the final touches to a draft budget for the year starting April 1, 1979 which appears to be aiming at consolidating present levels of economic growth rather than postulating a boom.

The general account budget probably will total a little less than ¥34,000bn, according to reports, or about 13 per cent over the present year's standing budget, which represents a 2.8 per cent rise. The budget probably will be based on an assumption of economic growth of slightly over 6 per cent after taking account of inflation.

The areas which showed the heaviest increases in the current budget, like public works spending, will be increased by smaller margins this time round. Expenditure on social welfare items will also grow by smaller margins.

The Government again will be forced to depend heavily on the issue of deficit-covering national bonds. The ratio of bonds to expenditures may edge up to about 40 per cent from 37 per cent this year.

Plans drawn up by the tax agency of the Finance Ministry to introduce a general rate tax from January 1980 are running into some opposition. The hope is that such tax will serve to lessen the dependence on national bond issues to cover the budgetary spending next year.

Renault truck redundancies confirmed

By David White

PARIS—New Year redundancies in the most troubled sectors of French industry have been added to by confirmation of cutbacks at the heavy vehicles division of Renault, the state-owned motor group.

At a meeting with shop-floor representatives in Lyon, the management announced plans to cut 950 jobs in the division which makes Benelux and Savem lorries and buses. Unions fear further redundancies in the 38,000 strong workforce when reorganisation plans are presented late next month.

The company said it was trying to make the cuts on a voluntary basis, offering cash payments and other incentives for workers to take other jobs or to retire early.

Protest action against job losses and against increases in social security charges, organised on Thursday by the CGT union, produced mixed results. The most serious effect was on the newspaper industry, virtually paralysed by the strikers' union which is affiliated to the CGT.

Only one Paris newspaper, the *Parisien Libéré*, and one in four provincial papers, appeared. About 40 per cent of French Post Office workers supported the movement while disruptions in rail and other services were limited.

A major row has meanwhile broken out in Saint-Nazaire on the Atlantic coast after a violent confrontation on Wednesday between police and demonstrating shipyard workers.

The workers, at the Atlantic-Atlantic yard, had brought management to the town hall in order to settle a dispute about payment for last Tuesday's work stoppage because of a country-wide power failure.

Oil leak hits exports from Kharg Island

By Our Own Correspondent

TEHRAN—A serious leak has occurred in one of Iran's main oil pipelines, disrupting exports again just as production was returning to normal after strikes by workers protesting against the Shah's regime.

The leak was discovered on Thursday at the Gachsaran Field, in a pipeline to the main oil export terminal on Kharg Island, in the Gulf. The flow had to be cut by 200,000 b/d. A national Iranian Oil Company (NIOC) spokesman said oil exports were now running at 3.8m b/d, when they should be 3.8m b/d. He was unable to give the reason for the leak, but ruled out sabotage.

Iran normally produces about 5.4m b/d, but industrial action has disrupted output twice in the past two months. Ten days ago, production was as low as 1.0m b/d, and Iran was having to rely on imports to meet domestic demand.

A maintenance team is at the site of the leak, but the time needed to restore the flow to normal will not be clear until tomorrow. A year ago, there was a serious leak in the pipeline from Ahwaz, in the centre of Iran's Southern Oilfield, to the oil refinery at Abadan. It was caused by a bulldozer working near the pipeline. Pipeline leaks are comparatively rare, according to the NIOC spokesman.

The national news agency has reported that staff at the Abadan petrochemical works have stopped their strike. Politically motivated go-slows are thought to be persisting in the oilfields, although to a lesser extent. Oil exports said yesterday that only 25 per cent of workers were still taking industrial action.

U.S. restricts LNG imports

By David Buchan

WASHINGTON—The U.S. Government has said it needs no extra imports of liquefied natural gas (LNG), after last month's enactment of President Carter's natural gas bill, designed to stimulate domestic production.

The Energy Department has this week rejected two plans for importing Algerian LNG: Tennessee's proposal to pipe gas through Canada to the northeast, and El Paso Natural Gas Company's \$450m plan to import a billion cubic feet a day of Algerian gas through Texas.

The Energy Department described the LNG as "a marginal source of supply" which should not be encouraged while U.S. resources were under-utilised, and while long-term commitments with such neighbours as Mexico were being negotiated. Mr. James Schlesinger, the Energy Secretary, has taken a hard line with the Mexicans, telling them to keep their gas until they are willing to sell it to the U.S. at a "reasonable" price.

Mideast talks seek to break impasse

BY DAVID LENNON

TEL AVIV—A meeting in Brussels this weekend of Israeli, Egyptian and U.S. Ministers is expected to discuss possible compromises to break the impasse in the Middle East peace talks and not just procedural issues, according to Israeli officials.

But they cautioned against undue optimism. They said that while Israel was ready to continue the talks it was up to the Egyptians or the U.S. to produce new solutions to the unresolved issues.

Israel had insisted that Mr. Moshe Dayan, its Foreign Minister, would be empowered only to discuss procedures for restarting the peace talks when he met by Cyrus Vance, the U.S. Secretary of State, and Mr. Mustapha Khalil, Egypt's Prime Minister. But Mr. Vance would hardly attend a meeting dealing solely with procedure, officials in Jerusalem concede.

Mr. Menachem Begin, Israel's Prime Minister, received a message from Mr. Vance on Thursday night which is believed to have suggested enlarging the framework of the discussions which are expected to start next week. Newspapers here say that the Secretary of State's letter was placatory and apparently designed to ease the crisis in U.S.-Israeli relations.

Mr. Samuel Lewis, the U.S. Ambassador, is reported to have received a lecture from Mr.

Begin when he delivered the letter. The Prime Minister is believed to have again accused the U.S. of taking a pro-Egyptian stance in the latest round of negotiations even though Israel believes the new Egyptian proposals clearly went beyond the framework for a peace treaty as set out at Camp David.

Meanwhile, the senior Israeli military officer in charge of the West Bank and Gaza Strip has reported that 2,490 residents of the occupied territories are in jail for security offences. General Aramneh Orly told a news conference that 396 of the Palestinians were still awaiting trial.

In addition, the military government had placed 20 people under administrative detention, which means they can be held as long as Israel wishes without being brought to trial, 8/24—Page 2

Gen. Orly denied that recent arrests of students at the Bar Ilan University beside Ramallah on the West Bank were motivated by a desire to suppress their political activity. He said that between 15 and 20 students had been arrested in the past few weeks for security offences and half were still in detention.

The students at Bar Ilan are known for their outspoken criticism of the Israeli occupation, land expropriation and the Camp David agreement.

Parliament row confirms rift in Janata Party

BY K. K. SHARMA

NEW DELHI—The rift in the Janata Party came fully into the open yesterday when Mr. Charan Singh, the former Home Minister, told Parliament he was expelled from the Government for demanding an inquiry into charges of corruption against Kantibhai Desai, the Prime Minister's son.

Mr. Morarji Desai flatly denied the truth of Mr. Charan Singh's claim and counter-charged that Mr. Charan Singh had not appointed a commission of inquiry into corruption charges against his own wife and son-in-law. Had the former Home Minister done this, the Prime Minister said, he would have been forced to order a similar inquiry into charges against his own son.

The two statements, which signalled the final rupture between the two Janata leaders, were heard in silence by MPs

of their party. The exchange was greeted with derisive laughter by Congress and other opposition groups.

Mr. Charan Singh's statement comes more than six months after he resigned as Home Minister. A number of futile attempts by other Janata leaders to bring about a reconciliation between the two men, have failed.

The Janata's growing internal problems come in the middle of its battle with Congress and its imprisoned leader, Mrs. Indira Gandhi. Her followers have continued their campaign to "kill the jails" by defying a ban on demonstrations. Many thousands have been imprisoned although an exact number is not available. Incidents of violence, sabotage and arson continued yesterday but it seemed as if the agitation was petering out.

Loans to S. Africa blacks

BY OUR OWN CORRESPONDENT

JOHANNESBURG—Three leading U.S. banks have lent the equivalent of almost R30m (£17.2m) to build houses for South Africa's urban blacks. They are Bank of America, Chase Manhattan and Morgan Guaranty, and the money will

be channelled through the Urban Foundation, a body funded by major South African and foreign companies which aims to improve the quality of life in urban black townships.

The loans are for five years and carry an interest rate of 6.86 per cent. It is believed they are denominated in Swiss francs, as were two smaller loans totalling SwFr 8m (£2.4m) raised by the foundation last August.

The funds will be made available through local building societies to participants in the Government's new home leasehold scheme for blacks. The societies have agreed to match the foreign loans on a rand-for-rand basis.

Announcing the loans yesterday, Judge Jan Steyn, the director of the foundation, said the foundation hopes to raise further funds abroad, with a target of R200m over the next five years.

M & G

Group Limited

Page 15

مكزامن الناصل

HOME NEWS

All systems go for video games sales

THE FASTEST selling toys this Christmas, according to UK retailers yesterday, have been the programmable video games which can be played on TV sets.

For up to £200, add-ons can take part in aerial dog-fights or depth-charge submarines, pretend to be a racing driver or command a spaceship, or play chess, backgammon, and backgammon.

The strength of demand from people willing to spend hundreds of pounds on the most sophisticated of such games—compared with about £10 being asked for the simplest video games—has surprised manufacturers and retailers.

Many retailers sold out their games allocation within weeks and the manufacturers have been frantically seeking to get supplies from their overseas plants to meet the demand.

Precise market figures are not available yet, but trade sources suggest about 50,000 of the programmable games have been sold since they were introduced this year.

About 1m video games of all types are estimated to have been sold this year, making the video games market worth more than £25m.

While the trade believes that the cheaper end of the market has probably become saturated, the demand for the more advanced games is causing retailers and manufacturers to revise rapidly their sales projections for next year.

It is only a few years since even the most basic "ball and paddle" games were hailed as a technological wonder. The

history of video games really reflects the rapid advances made in micro-electronic technology in the 1970s.

The U.S. company Magnavox (now owned by Philips) introduced in 1972 what is generally believed to be the first consumer video game in the U.S. The game was basic and compared unfavourably with the relatively more advanced games being displayed in both the U.S. and UK amusement arcades and pubs.

The commercial games cost several hundred pounds and were fairly bulky because of the considerable amount of circuitry needed, but they were still profitable for the operators.

In 1975, General Instruments, of Scotland, developed a single integrated circuit or "dedicated chip" which incorporated all the features of the arcade games, but were much smaller and cheaper.

The circuits are a tiny sliver of silicon, less than the size of a tea-leaf, on which a micro-electronic circuit has been etched.

The early games, which carried a variety of ball-sports with sound effects and on-screen scoring, retailed at between £40 and £80. But in 1976 and 1977 the UK market was "flooded" with games from the Far East, where production costs were lower, all with virtually the same circuit and, therefore, very similar in performance.

Prices fell quickly, which meant that consumers who bought a game at £40 quite often saw the price drop by half or more within a few weeks.

Subsequent developments in micro-electronics resulted in a new generation of video games being developed in the U.S. and Europe. These new games are based on microprocessors—or very small computers—rather than a single integrated circuit.

Thus, instead of having a limited range of games built directly into the set, the microprocessor can be programmed to take different games programmes in a small cartridge. This saves duplication of the basic hardware—such as colour circuitry and hand controls—while allowing unlimited scope

DAVID CHURCHILL looks at the latest microprocessor-controlled television games and analyses their future prospects.

for different games to be played. There are three different microprocessor-controlled programmable games on the UK market, two of which are of U.S. origin and the third from Europe. The U.S. games are Fairchild's Video Entertainment System, marketed in the UK by Adam Imports under the name Grandstand, and Atari's Video Computer System, marketed by Cherry Leisure.

A German company, Interton, is the third big producer of programmable games with its VC 4000 model, which is manufactured in Ireland.

All three games are sold mainly through large department stores and electrical retail-

ing multiples. Both the Fairchild and Interton games retail at between £120 and £130, plus nearly £15 for each basic games cartridge, although more advanced cartridges cost more.

The Atari game sells for about £170, the difference in price said to be due to the Atari game including an initial games cartridge as well as extra controllers.

The three systems are fairly similar in design and style, although the cartridges are not compatible with each other. The Interton system uses a microprocessor developed by Mullard specifically for the European

television system which Interton claims gives better picture definition.

The Mullard microprocessor is also claimed to use less capacity for "storing" the screen images, thus allowing more scope for increasingly advanced programmes to be handled by the microprocessor.

The market share battle is largely being determined by the range of different games available, and here the competition changes almost weekly as new cartridges are introduced. Atari has just introduced a three-dimensional basketball game. Interton is coming back early next year with a high-level chess programme.

These cartridge sales are spread out during the year and manufacturers hope that they will even out the largely seasonal nature of the industry, with most games sold in the weeks before Christmas. The risk element was shown this year by Waddington's acquisition of Videomaster, a former European market leader in the video games field.

For the consumer, the chief question is whether the price will tumble as fast as it did for the first generation of video games. The trade believes that while prices could fall by 10 to 20 per cent next year, there is little scope for any of the earlier dramatic price cutting.

This is largely because of the considerable development costs of each games programme, which is likely to limit the amount of competition for Far Eastern manufacturers.

Some programmable games, including those manufactured by Videomaster and Teleng, are on sale at about £40, but they are based on advanced development of the integrated circuits rather than microprocessor technology.

The provide limited competition to the more expensive systems on the games requiring physical dexterity, but cannot compete where substantial processing capacity is required in such games as backgammon or backgammon.

At the top end of the market, the chess can be played on the microprocessor. The game Chess Challenger—has been selling fast at £200, although an



"Lost again, dear?"

experienced chess player can usually beat the computer.

The new generation of microprocessor-controlled games are not likely to fall in price so rapidly or become out-dated as fast since more sophisticated games can be included in the present basic equipment with the addition of a new cartridge.

But in two to three years, the industry expects consumers to be ready for the next big step with an inexpensive home computer, which will have considerably more capacity and flexibility for performing different functions.

One such home computer, sold by Commodore, is already on sale, but the present price of £700 has limited sales to the serious amateur. At £300, the trade would expect the home computer to become very interesting.

LABOUR NEWS

Guidelines broken as seamen accept deal worth 8.75%

BY NICK GARNETT, LABOUR STAFF

BRITAIN'S 40,000 seamen yesterday became the third major group to settle outside pay guidelines when they accepted, by ballot vote, a deal worth about 8.75 per cent, without a productivity element.

The Employment Department confirmed the deal was in breach of the 5 per cent limit. The Government, appears to be resigned to the fact that it can do nothing to lower the settlement now that its sanctions policy has been ended and said it "regretted" the deal.

In a small return, members of the National Union of Seamen voted 5,235 to 4,851 to accept the employers' offer which starts on January 2.

So far only two other significant deals—the 17 per cent settlement for Ford's 57,000 manual workers and British Oxygen gases division's 9.5 per cent for 3,000 drivers and depot workers—have been confirmed by the department as outside the guidelines.

British shipowners had tried to justify the deal by using the special low pay provisions within the Government's White Paper on pay policy.

Employers were apparently using those provisions in relation to minimum pay whereas the £44.50—below which deals are exempt from the 5 per cent limit—is meant to reflect overall earnings.

The basic minimum for seamen will be raised from £40 to £43.75 and the existing productivity supplement from £1.75 to £1.87.

Basic pay for a fully qualified seaman, including efficient service pay will be raised from £46.84 to £50.76.

The deal raises average weekly earnings, calculated over the year, from £87.40 to £105.81. During periods when seamen are working with specific crew agreements, average weekly earnings will be lifted from £87 to £91.

Journalists' union seeks to take case to Lords

BY NICK GARNETT, LABOUR STAFF

THE NATIONAL Union of Journalists decided yesterday to seek leave to appeal to the House of Lords against a High Court decision on the blocking of copy from the Press Association news agency.

Earlier this week, the Court of Appeal refused the union leave to appeal to the Lords against the decision.

The union was itself appealing against the decision by Mr. Justice Lawson to grant an injunction to Express Newspapers ordering the union to lift its instruction to Express group journalists to black copy from the Press Association.

The decision of the appeal by Lord Denning, Master of the Rolls, centred on the interpretation of Section 13 of the 1974 Trade Union and Labour Relations Act. This has provided legal immunity for trade union sympathy action if it is done "in furtherance" of a trade dispute.

Lord Denning said it was not sufficient that there should be an intention to further, advance or encourage the union side with a trade dispute. "There must be a reasonable prospect or capability of advancing the cause in order for it to be given immunity."

The other sitting law lords, Lord Justice Lawton and Lord Justice Byrne, agreed with it in effect a new point of law.

Sacked workers hold party in company's office

BY OUR LABOUR EDITOR

CONSTRUCTION workers sacked by their employer held a Christmas party yesterday for their wives and children in their former corporation's office.

They arranged the party—without management consent—because, according to their shop steward, many of them would miss the usual Christmas celebrations this year. The reason is that they will be occupying the offices on an eight-hour shift rota, through Christmas and possibly New Year.

The occupation of Kilsen's insulation regional office in Glasgow started a week ago after the men were dismissed from a contract for BP Trading at its Grangemouth petrochemicals site.

Mr. John McCarthy, Transport and General Workers Union shop steward, said the sit-in was in protest at the cancellation of the contract and the dismissal of 70 men. They would stay in Kilsen's offices until promised re-engagement.

The contract had been cancelled, he said, because the men on the site had been pursuing claims for better terms and conditions.

The company, a national firm based in Barking, Essex, said that since the placing of the contract in July there had been "a history of stoppages of an unofficial nature, which, when coupled with low productivity, has delayed the contract." When BP cancelled the contract on December 12, the company had no alternative but to end the employment of the 55 men involved. There was no other suitable work for them in the region, it said. They would be paid up to next Friday.

Wood voted leader of biggest building union

BY OUR LABOUR EDITOR

THE NEW general secretary of the Union of Construction, Allied Trades and Technicians, Britain's biggest building union, is Mr. Les Wood. He succeeds Sir George Smith, who died a month ago.

The big majority for Mr. Wood shown in a ballot was expected. Sir George was to have retired next year and the ballot began before his death. Mr. Wood collected 12,393 votes against 1,077 for Mr. Tom

Graves, national organiser, and 695 for Mr. Len Eaton, London regional secretary. The union has nearly 300,000 members.

In a separate election, the moderate Mr. Fred Hartman retained his seat against the Left-wing challenger, Mr. Jack Henry, a Communist Party member. The voting was 8,350 to 5,667, with two runners-up. The Left has a strong, if not commanding, presence on the executive.

Revenue plans tax relief changes on company stocks

BY NICHOLAS COLCHESTER

THE Inland Revenue suggests radical changes in the tax relief on company stocks in a consultative paper authorised by the Government and published yesterday.

It contains proposals that would boost the value of stock relief to small private companies. These would allow companies to make partial claims of stock relief, and businesses to avoid repayments of stock relief if their stocks dropped to a single year.

Apart from these novelties, the major thrust of the consultative paper deals with a statement on stock relief made by the Chancellor in his budget speech this year.

He said that, failing the introduction of a permanent stock relief scheme, the Government would introduce legislation to link the build-up of a company's tax liabilities under the existing stock relief system.

The gist of the proposed solution is that any outstanding stock relief pertaining to the first two years after the scheme's start in 1974 should be forgotten.

Furthermore, after the end of accounting for the stock relief pertaining to the year ending six years earlier could also

be written off. The paper explains how these dates and amounts might be calculated.

One controversial aspect of stock relief has been the deduction of 15 per cent of "relevant income" from the relief granted. This has been criticised because the complicated calculation tends to penalise unincorporated businesses.

The Revenue suggests three possible solutions, all "fiscally neutral." The first would do away with "relevant income," substituting reliefs and "clawbacks" of 85 per cent of changes in stock values.

The second envisages 75 per cent relief and 100 per cent clawback. The third would keep "relevant income" but modify the calculation to make things easier for small companies.

The Revenue also aims the idea that companies should be allowed to defer "clawback" for one full year in the hope that the dip in their stock values might prove only temporary.

It says that such a scheme would have to be framed and phased in with care, because it might cost the Revenue £250m in the first year.

So far, there is no commitment by Ministers to any of these possible changes.

New inquiry ordered into dockland mart

BY PAUL TAYLOR

A FURTHER inquiry into proposals by Trammell Crow, the U.S. property partnership, to build a \$55m trade mart in the heart of London's derelict dockland, has been ordered by Mr. Peter Shore, Environment Secretary.

Details of the inquiry have not been made public, but it is understood that Mr. Shore has asked a small team of prominent businessmen to prepare the new report.

He is believed to have commissioned the inquiry to try to head off possible opposition to the scheme when he takes it before the Cabinet for final approval in the New Year.

Mr. Shore is thought to favour the proposal, which would convert 135 acres of the 5,500 acres lying idle in dockland into the London International Merchandise Mart, because of the pressing need for a big development to act as a catalyst for further revitalisation of the area.

London International Merchandise Mart, Trammell Crow, a Texan businessman, would provide about 1,000 showrooms leased by manufacturers in a six-storey futuristic-looking

building at Surrey Docks.

A previous, and as yet unpublished report by the Industrial Development Advisory Board raised a number of doubts about the commercial viability of the scheme which involves a request for substantial Government financial guarantees covering the bulk of the investment.

These need for guarantees has arisen because of nervousness among City financial institutions in backing a type of project which has no proven track record in Britain. The Advisory Board, which vets applications for Government support under the 1972 and 1975 Industry Acts, is usually more disposed to favour projects where Government involvement is limited to about 50 per cent. However, reports by the Board have been furnished in the Cabinet before.

Mr. Shore's hand would clearly be strengthened if he could produce an alternative and authoritative independent report which was not unfavourable to the scheme.

Ultimately the decision, which is expected in January or February, will involve political as well as commercial considerations.

In his recent submission to the Commons' environment subcommittee, which is investigating the slow progress towards redeveloping dockland, Mr. Shore mentioned the Trammell Crow project and the possibility of News International, the publishers, moving into the area as being the kind of redevelopment needed to give it a boost and improve business confidence in its future.

Trammell Crow's surveys have, for example, suggested that live out of every 100 UK furniture manufacturers would need to join the mart to make it viable.

Yesterday, however, Mr. Ralph Shagan, chairman of the British Furniture Manufacturers' Export Group, which represents about 200 British furniture manufacturers accounting for more than 90 per cent of the £200m export market, said that the impression that there would be strong support from the furniture industry in Britain for the scheme "would be entirely wrong."

Airline buys Boeing 737s

BY LYNTON McLAINE

BRITISH AIRWAYS is to buy nine Boeing 737 aircraft in a \$50m contract to replace ageing Boeing 707s flown by British Airways, its charter subsidiary.

The contract brings to 28 the number of Boeing short-range jets ordered by British Airways this year. In July the Government approved purchase of 18 for £120m for use by the parent airline on European flights.

Mr. Gerry Draper, chairman of British Airways, said yesterday that the Boeing 707s had been in service for nearly 20 years and had become increasingly expensive to fly and

maintain.

He said margins in the package holiday trade were fiercely competitive, and the new 737s would enable British Airways to compete on an equal footing with other charter operators which already used the aircraft.

Deliveries of the twin-engine aircraft begin in March 1981. All nine are expected to be in service for the 1981 summer season.

The aircraft will carry 130 passengers, all at economy class. Other features, including flight deck layout and galley space, will be the same as on the 19

Boeing 737s already ordered.

British Airways announced yesterday a cut of £115 on the return air fare between London and Sydney or Melbourne. The new fare, effective from February, will be £334 return.

Fares to other cities in Australia will be reduced, and all flights will be normal scheduled passenger services.

British Airways will reduce fares from seven UK cities to Amsterdam to 40 per cent below, normal economy returns. The new return fare from Birmingham will be £56, and from Edinburgh and Glasgow £78.

Life-saver for North Sea divers

NINE OIL companies have clubbed together to buy a \$450,000 life-saving system for North Sea divers.

The system, developed by International Underwater Contractors of New York, allows a diver to be down ashore for treatment without having to spend time in a decompression chamber.

Two lightweight pressurised chambers, based on shore, will carry injured divers in a large compression chamber in which medical treatment can be given immediately.

The oil companies, which include BP, Shell, Esso and the British National Oil Corporation, have paid for the medical chamber, based near Aberdeen Airport. It will be run by the U.S. company for Grampian Health Board, Norway has a similar unit at Bergen, which will look into the new system.

Castle repairs

STONEWORK at Culzean Castle, Scotland, is being restored at a cost of £47,000 by Stewart McGlashan a subsidiary of Balfour Beatty Construction (Scotland). It is being financed by the Scottish Secretary of State and Strathclyde Regional Council.

Post Office considering phone deposit interest

BY JOHN LLOYD

NEW BUSINESSES considered a possible and risky by the Post Office, but it may have a dubious reputation.

The corporation said yesterday that it was considering paying interest on large, long-term deposits sought from companies receiving telephones for the first time.

An extra premium is charged on companies considered a possible bad risk, and the total deposit can add up to more than £1,000, held for a year.

The Post Office has been attacked by the Telephone Users' Association for its practice of asking for deposits in advance.

New domestic subscribers pay £45 for installation and a quarter's rental, £2.25, in advance. A further deposit in "high risk" areas—such as parts of London with a high proportion of short-stay tenants—may be demanded, also in advance.

Mr. Mark Elwes, the association's secretary, said yesterday that the deposits were in effect interest-free loans. It was absurd that no interest should be paid on them when inflation was high.

The association has held talks with the corporation to establish the principle of interest payment, but yesterday's announce-

ment is the first indication that the Post Office is considering the idea.

The corporation pointed out that its provisions for bad debts were running at £16m a year.

Your holiday services for Post Office Telegrams.

The arrangements for inland and international telegrams are as follows:

INLAND TELEGRAMS

We will accept telegrams by telephone or by telex at any time but delivery arrangements will be:

	To addresses in England, Wales, N. Ireland and Channel Isles	To addresses in Scotland
Dec 25	Matters of Life and Death only†	Matters of Life and Death only†
Dec 26	Matters of Life and Death only†	Sunday Service*
Jan 1	Public Holiday Service*	Matters of Life and Death only†
Jan 2	Normal Service	Sunday Service*

†Although no guarantee can be given, delivery will be effected if at all possible.
*Telegrams to be delivered on days when there is a Public Holiday or Sunday Service must be tendered by 8am on these days.

On any day when there is no postal delivery, overnight telegrams will be held for the next postal delivery.

For telegrams to the Irish Republic and the Isle of Man, please check with the telegram operator.

INTERNATIONAL TELEGRAMS

We will accept telegrams by telephone or telex at any time, but delivery overseas may be delayed.

For telegrams received from overseas, delivery arrangements will be similar to those for inland telegrams.

The International Letter Rate telegram services will be suspended from midnight 22 December to midnight 26 December.

Post Office Telegrams

OPEC decision knocks equities

The market never really recovered from the depressing news over the weekend that OPEC oil prices are to be increased by 14 1/2 per cent. Investment sentiment was severely knocked and equities started the week with a 7 point fall in the Financial Times Industrial Ordinary Index. Although slightly more than half of this shortfall was recovered over the next couple of days business was at a minimum with markings falling to break the 3,500 mark at any stage. By Friday, when the market closed at 1 p.m., markings fell to under 1,800 although there was a fair sprinkling of small gains.

EMS boost

Ireland's decision to enter the EMS after all brought attention back to the Irish securities markets. Two months ago British investors were buying Irish gilts on the view that Irish interest rates would mean lower interest rates in Dublin, and therefore capital gains in fixed interest securities, a currency gain and perhaps a windfall through the dollar premium if Irish stocks became premium investments.

It is ironic that lower Irish interest rates look as far away as ever, that a currency gain is ruled out for the time being by the Irish Central Bank's determination to keep the punt at par with sterling, and that hot money is unlikely to be rewarded with a dollar premium gain even if the two currencies drift apart as it seems probable that the UK treasury will set a cut-off date to exclude recent buyers of Irish stocks.

But the Irish gilt-edged

market was very firm on Monday and Tuesday. It was supported by Irish buying—the new bull factor is that Irish exchange controls now prevent Irish residents from buying British shares, virtually compelling them—given the small range of Irish equities available—to buy Government debt. On top of this, profit-taking from

LONDON

ONLOOKER

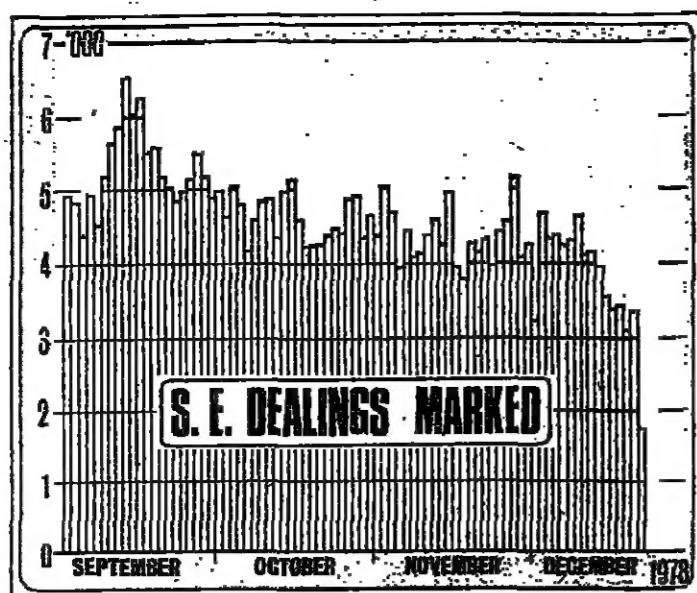
London bulls of Irish stocks was reduced by the lack of any premium gain. Irish equities advanced by around 5 per cent in some cases before falling on Wednesday as profits were taken.

British investors holding Irish gilts are in a market tightly controlled by the Dublin Government Broker, who can issue lines of any new stock on demand and thus easily hold the market down. They will be comforted by the fact that official funding in Ireland is well ahead of schedule.

Dairies, please

Two companies in the food manufacturing sector this week provided a little seasonal cheer. More specifically the results from Northern Foods and Unigate suggested that dairy products are experiencing at least a minor revival.

Tuesday's £22.4m (£17.91m) full year pre-tax profits from Northern Foods which was well



in line with expectations admittedly owed much to other interests while net first time contributions (adding back British Credit Trust and stripping out seven months of Pork Farms) was worth roughly £1m.

Nevertheless, dairy products still account for about half the group's profits. And whereas reduced volume shows that the outlook for milk remains unexciting, a modest profit increase was still achieved at the important subsidiary Northern Dairies.

Elsewhere diversification seems to be paying off with baking and biscuits showing up exceptionally well over the year. Only the brewing side—

Northern earlier this year bid unsuccessfully for Nottingham-based James Shipstone—appears to be flat.

Unigate, meanwhile, following an impressive second half last year, turned in another good performance on Thursday with interim profits 59 per cent better at £15.1m. Growth in the current six months may be more difficult to sustain, but there are encouraging signs that the stiff foreign competition which affected last year's results is no longer so intense. For instance, the company which produces half the UK's butter and one-third of the country's cheese has improved margins, despite the absence of any significant volume growth. A good year

is already assured and the company is expected to make around £40m, against £31.5m last time.

BOC shortfall

BOC International's 19 per cent pre-tax profit drop to £66.5m in the year to September 30, announced on Wednesday, has been attributed to the poor performance of Aircro's ferro alloys business, the continuation of production problems at Medishield and a costly strike in the group's UK gases division in October, 1977.

As well, sterling strengthened against the dollar during the period and directors estimate that pre-tax profits would have been some £5m higher if exchange rates ruling at September 30, 1977 had still applied at the 1978 year end.

The figures reflect a 100 per cent contribution from Aircro, which became a wholly-owned subsidiary (previously a 34 per cent owned associate) in May. This change had a major impact on BOC's corporate profits, boosting turnover from £670m to £1.2bn; capital employed from £618m to £1.113m; net borrowings from £154m to £487m.

At the operating level, the performance is impressive with profits, swelled by the consolidation of Aircro, rising by £62m to £177m. But after £28.7m in extra depreciation together with interest of £11.5m deducted and the £19.4m cut from associated costs, the net profit is not much profit growth left. European profit fell by a third to £26m as a result of the general continental chemical and metals malaise but the Australian branch performed well, raising its profit contribution a fraction.

The key to the group's future is its ability to absorb successfully Aircro and the recovery of the European/U.S. chemical and steel industries. But the market is just a little nervous about the possibility of another rights issue. In the long term the group looks set for very strong growth.

U.K. INDICES

Average week to	Dec. 22	Dec. 15	Dec. 5
FINANCIAL TIMES			
Govt. Sec.	68.57	68.86	68.87
Fixed Interest	70.24	70.16	70.20
Indust. Ord.	477.2	483.5	490.7
Gold Mines	139.1	134.3	128.5
Do (Ex. S.P.m)	99.9	97.9	94.9
Dealings mld.	3,011	4,671	4,390
FT ACTUARIES			
Capital Gp.	232.94	237.91	239.88
Consumer (Durable)	209.13	211.91	211.15
Cons. (Non-Durable)	208.41	211.22	212.59
Ind. Group	218.24	221.46	223.05
500-Share	243.03	246.04	246.26
Financial Gp.	169.07	168.92	171.70
All-Share	222.51	225.17	227.19
Red. Debt.	55.02	55.10	55.13

TOP PERFORMING SECTORS IN FOUR WEEKS FROM NOV. 23

	% change
Hire Purchase	+18.4
Property	+7.3
Electronics, Radio, TV	+6.7
Building Materials	+5.7
Miscellaneous (Financial)	+5.7
Entertainment, Catering	+5.4
All-Share Index	+1.8

THE WORST PERFORMERS

	% change
Contracting, Construction	-0.4
Food Manufacturing	-0.4
Insurance Brokers	-0.8
Overseas Traders	-1.6
Toys and Games	-2.1
Household Goods	-2.7

MARKET HIGHLIGHTS OF THE WEEK

Ind. Ord. Index	Price Y'day	Change on Week	1978 High	1978 Low	Pre-holiday interest wanes
Gold Mines Index	141.1	+10.4	206.6	124.1	Strength of bullion price
Avon	74	+5	74	28	Board's Statement on prospects
Bank of Ireland	410	+17	455	315	UK-Irish Exch. control decision
Boots	189	-5	237	184	Nervous selling
Centrovincal Estates	94	+8	94	40	U.S. property sale
Cullen's Stores	122	-12	153	73	Poor half-year profits
De Beers Deft.	368	+16	488	285	Optimism over 1978 diamond sales
Euro	192	-32	265	126	Second-half profits warning
Glaxo	515	-10	648	508	Broker's bearish circular
Harris (Philip)	92	+16	95	65	Excellent int. results
ICL	435	-17	487	206	Adverse comment
Leigh Interests	138	+10	171	114	Renewed buying interest
MFI Furniture	163	-11	178	54	Fading bid hopes
Millers Leisure Shops	135	+10	135	115	Investment demand
Monk (A.)	82	-15	107	79	Chairman's pessimistic statement
Norton & Wright	148	+10	163	79	Good interim profits
Phillips' Lamps	850	+55	1,010	710	Dollar premium influences
Record Ridgway	56	-16	90	52	Slump in annual profits
Royal Dutch	442	+3	449	435	Dollar premium influences

Riding the blow

THE Organisation of Petroleum Exporting Countries threw a solid-looking left hook at Wall Street last weekend in the shape of a planned 14 1/2 per cent increase in the price of crude oil. But like the wily old pro it is, the stock market took the blow and then rolled back to grab for the ropes and cover up while it tried to decide whether it had been badly hurt.

Monday's 17.94 point slump in the Dow Jones Industrial Average, the worst decline since the 19.4 point fall on October 31 as the last dollar crisis reached its height, was a clear indication of just how damaging investors feared the OPEC price increase could be.

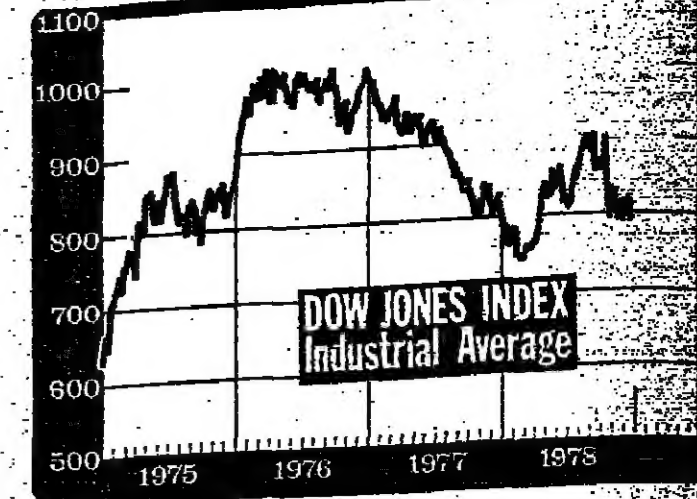
The reaction was not just a response to the weakness of the dollar on the foreign exchange markets on the same day. Both markets were reading the same signs, namely that the oil price increase would have an adverse impact on the U.S. balance of payments deficit and that it would also stoke the inflationary fires in the U.S. economy.

The Carter Administration implicitly confirmed some of these fears on Wednesday when Treasury Secretary Mr. Michael Blumenthal said that he was anticipating that the U.S. trade deficit would be around \$20bn higher next year at \$28bn and that inflation measured by the consumer price index would run in excess of 7 per cent in 1979.

Previously the Administration had been talking about a 6-6 1/2 per cent inflation rate as its target with the phase two anti-inflation programme in place.

A rate of inflation at this level, which is the minimum many private economists are expecting in spite of today's better news on the inflation front, the 6 per cent annual rate of increase in November, raises new questions over the administration's economic programme.

The centrepiece of Phase Two of the anti-inflation policy is the attempt to curb wage increases in the forthcoming bargaining round, and to try to hold the increases to around 7 per cent for most workers. The chances of success are clearly reduced if the actual inflation rate runs higher than this, and particularly if expectations are encouraged that the higher rate



will continue. The OECD's warning that the Carter programme will probably not help much has the hallmark of a self-fulfilling prophecy. A clear picture on the wages front could emerge early in January when the first test of the wage guidelines arises in the form of the oil, chemical and atomic workers' settlement.

The most striking feature of the stock market's response to the OPEC decision however was not the instant reaction to the news on Monday, but rather the performance of shares through

the rest of the week. For as the market digested the news it clearly decided that perhaps it was not as badly hurt as it first thought.

There was no sign of any cumulative decline in share prices gathering pace. On the contrary volume contracted again from the 32m shares which changed hands on Monday back to around the 26m shares level. Institutional investors once again appeared to retreat to the sidelines, judging from the number of large blocks of shares which changed hands, and they left the ring to those share dealers who were adjusting their portfolios for the end of the tax year.

It might be too optimistic to read a lot into the week's performance and certainly the market's fears have not been banished. But they occurred even though a decision by a major New York, Chemical Bank, promised to raise the prime rate in the banking industry another notch to 14 1/2 per cent, and there was ample evidence in midweek that the Federal Reserve Board was again tightening monetary

policy in response to both the dollar's weakness, and the fear that real gross national product was moving ahead much more strongly in the fourth quarter than had been expected — Mr. Blumenthal projected a 15 per cent rate of increase.

There was, however, some striking news on the corporate front to encourage investors. In particular a strong 18 per cent gain in earnings of American Telephone and Telegraph in the quarter ending November 30, A.T. and T. is the most widely held share in the U.S. so such news is encouraging for the stock investor. He got even better news: the previous day was another corporate giant, International Business Machines, disclosed that it was raising its stock on a four-for-one basis. IBM's shares rose 13 1/2 points on the news to \$225 1/2.

By the middle of next year, however, when the split shares are trading IBM stock will be selling for under \$100 which will open it up more easily for purchase by smaller investors. This is one of the motives for the decision, IBM it seems, is anxious, partly for political reasons, that its shares should be more widely held by the American man in the street. It cannot have missed the evidence either that the smaller investor is showing signs of making a comeback in terms of his participation in the stock market. It is perhaps too early to conclude that the trend is well established, but it is undoubtedly a trend corporations will want to encourage.

NEW YORK

STEWART FLEMING

CLOSING INDICES

Day	Close	Change
Monday	787.51	-17.84
Tuesday	789.85	+2.34
Wednesday	793.66	+3.81
Thursday	794.79	+1.13

Smiles are a little strained

ON THE FACE of it, gold mining men in the Orange Free State should be preparing for their happiest Christmas in years. Their product is in wide demand—wider perhaps than they would have thought possible with central banks tucking it away in vaults, manufacturers keeping up their stocks and the

tion of the dollar can only be achieved at the price of recession, then the underpinning might turn out to be rather fragile.

In this case there could be a fall in industrial demand for gold. That would pose real problems for the mines because it has been on the firm base of industrial demand that the recent strength of the market has been built up. Gold for fabrication has consistently accounted for the largest part of gold demand.

All of this would be idle speculation were it not for the financial position of the mines. It is true that the Orange Free State operations of the Anglo American Corporation have been making handsome working profits, but internal economic and social pressures are making them look increasingly vulnerable.

If working profits are to be maintained at current levels, then, according to the annual statements released this week, Free State Geduld needs an average gold price of more than \$220 an ounce. Western Holdings needs \$210. Welkom needs \$200. President Steyn needs over \$200 and President Brand needs about \$210.

The mines now require a high bullion price because they are not gaining the benefits that would at first sight be expected from record operating profits.

Of the increased benefit of some \$150m accruing to the Anglo American Corporation Orange Free State mines from

the higher gold price, the State has been able to the extent of \$113m and its stockholders only \$34m. This clearly demonstrates the impact of the marginal rate of tax as applied to the gold mines," the chairman stated in their annual reports.

This throws up the irony that the gold mines have been a major factor behind the rise in South African state revenue collections and in the improvement of the national balance of payments at the very time they are facing higher costs and lower productivity.

Part of the difficulty for the OFS mines is that they came to production over 20 years ago. The easily won gold has been extracted long since. "Since 1972 the tonnage mined from remnants in our mines has steadily increased to the point where, at some of the older \$113m and the stockholders only won from areas previously mined," the chairman said.

Grades are decreasing and the working faces are spreading further from the shafts thus increasing travelling times for men and material. Power consumption has increased despite the fact that charges have increased by 167 per cent in the last six years. Steel, which is widely used in mining operations, has jumped in price over the same period by 257 per cent.

Wages have also been moving up and the workforce has been growing. In the case of white mine workers this is partly the result of the introduction of the 11-shift fortnight.

In short, higher costs have been eating into the additional profits generated by the higher bullion price. There is little to suggest that the escalation in shafts, over half the tonnage is doubts about where the bullion price will move.

To some extent, of course, there is special pleading in the OFS chairman's litany of problems. No doubt they are preparing the ground for another rejection of the white mine-workers' demands for a five-day week. And they are probably preparing shareholders for difficult times ahead.

In setting out their problems, the chairmen are posing some tricky questions for investors. The fundamental situation they describe has to be set against the prospect of immediate and high yields. It looks very much like jam today instead of jam tomorrow.

Even then the jam is not as thickly spread as it might be. Complaining about the level of tax the mines are paying, the chairman said, "Stockholders who have been very patient during the period of low gold prices, now receive a reward which may well be disappointing and provide little inducement to invest in future gold mine developments."

Despite the fact that each mine presents a different investment situation, these last comments are sobering for a sector which is already under a cloud of political uncertainties and whose market performance has been sluggish.

THE TITLE of John Kenneth Galbraith's book, "The Age of Uncertainty," has gained considerable popularity in Japan recently: used by politicians as catchy campaign themes and by editorial writers stalking the elusive mood of the Japanese people (who made the book in translation a best seller). The title also applies aptly to the Tokyo Stock Market where the uncertainty has been over whether next year will equal the remarkable gains, until just recently, of 1978.

The Nikkei Dow Index of 235 stocks on the first section of the Tokyo Exchange has suffered over the past two weeks from a combination of official jawboning by the Central Bank, the announcement of OPEC's plans to raise crude oil prices in steps by 14 1/2 per cent next year, and some end of the year profit-taking.

The drops this week were quite substantial, but the analysts are still calling it a fairly normal consolidation. By December 11 the Nikkei Dow had edged through the 6,000 yen mark to a new record high of 6,097 yen following a smooth rise from the lowest point in about one and a half years last November 24 of 4,597 yen—a solid 33 per cent gain.

The Index lost about 50 yen on warnings from Bank of Japan governor, Mr. Teichiro Morioka, that the market was overheated, and another 50 yen after the OPEC price announcement. On Thursday, it suffered the biggest drop in over a year, down more than 100 yen, but recovered somewhat by the end of the week.

Why should investors be so anxious to hold equity shares in Japanese companies (particularly while the economy was battered this year by a rising yen)? The answer appears to be an excess of funds among financial institutions and corporations and the most bullish market watchers see little change in the factors which led to a rush into shares over the past few months.

As was the case in the last period of high liquidity in the economy in 1972-1973 before the oil crisis, banks, life and casualty insurance companies, corporations, mutual funds and investment trusts are solid net buyers while individuals have continued to sell out. This trend has made the stock market very "institutionalised" with the individual investor accounting for only 30 per cent of outstanding shares, or about opposite the U.S. market.

In the five months from July to November, banks bought a net ¥122bn (about \$636m) while insurance firms pumped ¥86.1bn in and mutual funds another ¥19.6bn.

Foreigners have remained consistent net sellers. This is probably due to the fact that the average share in Tokyo

The age of uncertainty

Forecasts by some of the major private economic research institutes for economic growth in fiscal year (FY) 1979 which begins in April, and the present year ending March 31.

	FY 1979	FY 1978
Mitsubishi Research Institute	4.8	5.1
Nihon Keizai Research Center	4.5	5.3
Nomura Research Institute	4.8	4.9
Yamaichi Securities Research	5.0	5.1
Daiwa Securities	5.2	4.9
Kyoto University Economic Research	6.2	5.7
Research Institute of National Economy	5.5	5.3
Nikko Research Center	5.5	5.2

The Government will issue its official growth target later.

trades at the very high price to net earnings ratio of 26 times, which makes sophisticated foreign investors dubious over how they could justify any possible losses after placing their funds in such risky — again by Western standards — investments.

Monetary authorities have been leading various warnings to the banks that growing speculation in stocks, and land, could have inflationary consequences for the economy as a whole. This was the result after the 1972-73 boom.

There was a Press report that the Bank of Japan is weighing a cut back in commercial bank lending in the first quarter next year, which touched off one of the share price dives last week. Any actual tightening of credit seems highly improbable from next year, however, given the Government's increasing need to have the private sector absorb larger amounts of

national bonds to fund the budget.

In fact, the Bank of Japan is in a quandary over how to effectively control money supply growth which it fears will move higher. The low levels of corporate borrowing for capital investment has effectively dulled the "window guidance" controls on bank lending as a tool. And any more efficient interest rate mechanism control will have to wait until the Finance Ministry gives up some of its coveted policy of a rigid interest rate structure. Money supply has been expanding at about 12 per cent per annum in recent months.

The final arbiter of whether stocks will continue to boom is the economy itself. If demand for funds from the private sector picks up strongly as a result of increased spending for plants and equipment, there could be a recovery in the corporate bond market (funds have also flowed from bonds to

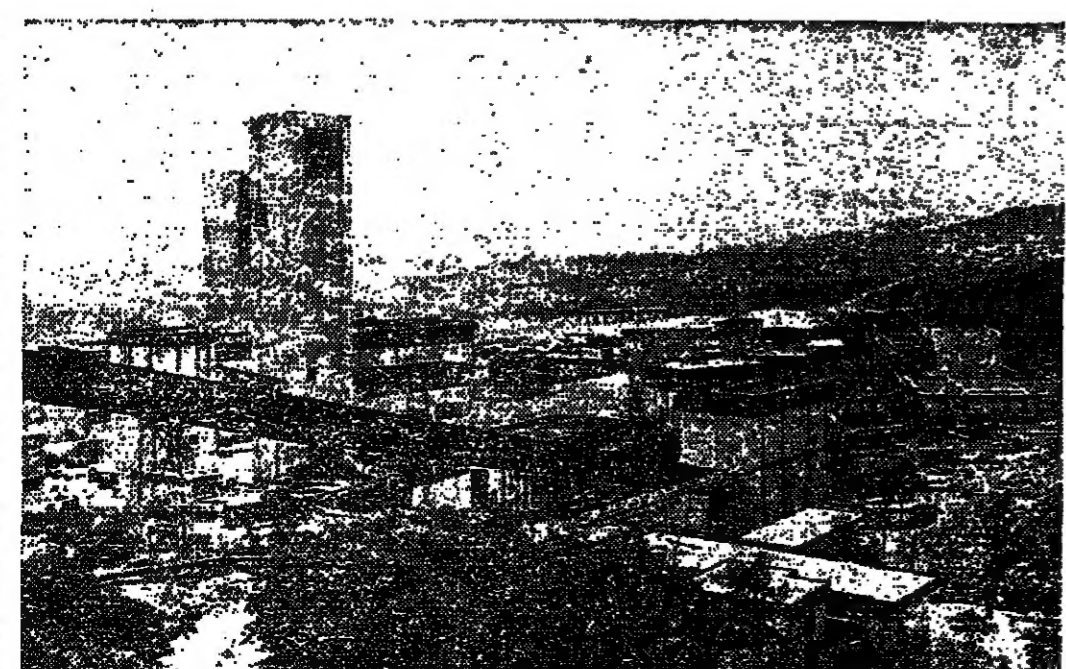
equity shares in the current market). With the government also borrowing heavily there is the theoretical possibility of a reversal and subsequent crowding out conditions in the bond market.

The numerous year-end private forecasts for next fiscal year's (from April) real economic growth are little reason to strongly support the latter scenario. The most pessimistic so far was 4 per cent real GNP growth made by Mitsubishi Research Institute. The most optimistic by the Research Institute of National Economy among others, is for 5.5 per cent growth.

Japanese investors are cautious over the impact of the OPEC price rise on the U.S. and world economy as a whole. A sharp worsening of economic conditions would undoubtedly spill over into the Japanese market. If not there demand for Japanese shares created by surplus funds looks to be outrunning the supply for some time to come.

There is perhaps good reason for some caution (and uncertainty), however, bullish stock market advocates are gearing up to make optimistic forecasts for 1979. The top executives of one of the major securities houses last week decided they would say 7.200 yen as a target for goal for 1979 Nikkei Dow performance when journalists came around to watch their speculative pieces on what will happen next year.

The most bullish may let 8,000 yen slip into print.



Elansrand: the Anglo American Corporation group's gold mine, where the first gold was poured this week. Construction has been running 31 months ahead of schedule.

مكازم الذهب

YOUR SAVINGS AND INVESTMENTS

Many unitholders will soon learn a new word, bed-and-breakfasting. Eamonn Fingleton shows how this unlikely idea may cut your tax in the New Year.

New awakening for tax-conscious investors

A LOT of holders of unit trusts and investment trusts could do with a better calculator in their stockings this Christmas. Thanks to changes in the last Budget they now have an unprecedented opportunity to cut their capital gains tax—but they will need to do their sums carefully to make sure they are eligible.

The key to the tax saving is "bed-and-breakfasting," the City technique by which you establish an artificial capital gain or loss by selling your holdings and then immediately buying them back again.

Normally bed-and-breakfasting is used to establish a loss on investments that are doing badly but which you want to hold on to; the loss can then be set against profits realised from other investments and so you can cut or avoid capital gains tax bills. In the next few months, bed-and-breakfasting will have a special use for unit trust and investment trust holders who have large unrealised gains.

The point is that if the total gains you take are below £5,780 this year and they come solely from unit trusts or investment trusts, there is no capital gains tax to pay in your hands, whereas next year the limit will fall to only £3,000. This anomaly results from the transition to new capital gains tax rules which were introduced in the last Budget but which do not

take full effect until next April. The consequence of this anomaly is that it may well pay you to establish a realisation of your gains for tax purposes this year though you intend to hang on to your investments. By bed-and-breakfasting, you may escape tax this year because of the current favourable tax position and, when in future years you finally dispose of the holding, you will be assessed only on the gain since the bed-and-breakfast date. If, for instance, the investment does not appreciate further between the bed-and-breakfast date and the final sale, there will be no question of any capital gains tax to pay in your hands at that point.

At the root of the anomaly is the capital gains tax credit you get when you take a gain on a unit trust or investment trust holding. The credit is for capital gains tax paid within the fund. This has in recent years been paid at the rate of 17 per cent. For the current year the tax credit remains at 17 per cent although the actual rate now paid within the fund was reduced in the Budget to 10 per cent and this was backdated to April 1977.

The effect is that even in the hands of an investor who would normally be liable for the full capital gains tax rate of 30 per cent on equity profits, the rate actually payable will be only 13 per cent in the current year. But the tax payable in

WHAT THE MAJORS CHARGE

Bed-and-breakfast rates for typical unit trust holdings. In each case the figures include stamp duty of two per cent which is normally payable on such deals.

	%
Sure and Prosper	21
M & G	21
Barclays Unicorn	about 4
Allied Hambro	21
Britannia	3

* The rate may be lower in some cases.

his hands will rise to 20 per cent after April, when the rules have fully adjusted for the 10 per cent capital gains tax rate now payable within the fund.

Most investors these days are not liable to the full capital gains tax rate or anything like it. For the first £1,000 of your gains in each tax year are now tax-free and the next £4,000 are taxed at only 15 per cent.

For the current tax year, this means that the tax credit for unit trust or investment trust gains of up to nearly £5,780 is enough to offset the notional tax charge that would normally be payable in an investor's hands (provided he has gains from no other sources).

The notional charge on the gain is made up of nil for the first £1,000, £600 for the next £4,000 and £380 for the remaining £780 (one of the quirks of

the new rules is that in the band of gains immediately above £5,000 pays an effective marginal rate of 50 per cent). That gives a total of £980. But because the gain comes from unit trust or investment trust holdings, the investor enjoys a credit of £979 (17 per cent of £5,780), wiping out all but a pound of the tax he is assessed for.

To see how you can use bed-and-breakfasting to make the most of the present anomaly take, for example, an investor who is now sitting on a gain of £5,500 on a unit trust or investment trust holding which cost him £4,500. Suppose he realises the holding sometime after next April and that it will be then the only gain he will cash in then. If he does not bed-and-breakfast and the holding remains at its current value of £10,000, then he will be assessed for £550 capital gains tax on the gain (nil on the first £1,000, £600 on the next £4,000 and £350 on the remaining £500). He will, however, be credited with only 10 per cent tax paid within the fund—this is £550. So the tax payable in his hands will be £300 (£550 less £550).

If he bed-and-breakfasts today, there will be no tax to pay either now (assuming he has no other taxable gains this year) or later. The charge for bed-and-breakfasting will probably be about £150 in the case of an investment trust and could well be no more than £225 (including stamp duty) in the case of unit trust holdings with such groups as Allied Hambro, M and G and Henderson.

Bed-and-breakfasting will ensure really dramatic savings

where the investment's value continues to increase after the bed-and-breakfast date. Suppose, for instance, the value of the investor's holding increases by a further £2,000 to £12,000 before final disposal. A £2,000 gain on its own will not bear tax in the investor's hands. But if he has not bed-and-breakfasted his holding before final disposal, he will be assessed on a £7,500 gain (£12,000 less £4,500) and will face a swingeing £1,850 capital gains tax charge against which he can set a credit of only £750.

Investors who have taken substantial profits on a direct holding in shares this year may be able to reduce their capital gains tax bill if they arrange a realisation of unit or investment trust gains before the end of the tax year. Suppose, for instance, you have taken a profit of £1,500 on shares this year and you are sitting on an unrealised £3,500 gain on a unit trust. If you are planning to realise the unit trust gain fairly soon in any case, it could well make sense to do so before April.

That way the total capital gains tax payable in your hands is £5 (£500 less a credit of £505) whereas if the £1,500 shares gain is the total for the year you will face a bill for £75.

A word of warning: because of the intricacies of the current rules you run the risk of actually having to pay more tax than you should if you don't do your sums carefully. If you are in doubt, seek top quality personal advice from, for instance, a tax accountant. It is little use going to a unit trust group or anyone else who does not have a complete picture of your financial position.

Look before you leap

FEW INVESTORS realise how much scope unit trust management companies have to play around with the prices. By a stroke of a pen, a group can switch a fund from an "offer" to a "bid" basis and vice versa 7 per cent off the unit price overnight.

Luckily most unit trust groups like to stay on an offer basis as much as possible—it is

the appropriate stance for an expanding fund. But every serious investor should know how to spot the omens that precede a switch to a bid basis. A more difficult trick—but one that some investors have learned to exploit to great advantage—is to spot a fund that is temporarily down on its luck and is just about to switch from a bid to an offer basis.

In "Unit trusts—what every investor should know," Christopher Gilchrist explains clearly how unit trust prices are determined and provides a useful introduction to the neglected art of reading unit trust accounts, which often provide vital clues to a fund's bid-offer outlook.

The book will also be useful for teasing out the complexities of

unit trust taxation and for its pointers on how to choose from the bewildering variety of unit trusts now on offer.

The drawbacks of investment

UNIT TRUSTS

EAMONN FINGLETON

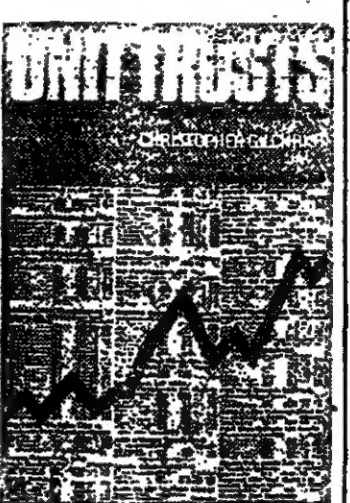
bonds for investors seeking capital gains are highlighted and the section on regular savings gives a timely warning of the need to check management charges.

The book, now being re-launched, is published in association with the Britannia unit trust group, the re-named rump of the Slater Walker empire.

The first edition in 1976 paid tribute to the Slater connection on its cover, which probably proved a damper on sales when a few months later the depth of the group's financial troubles rocked the City.

The damage done at that time to the Britannia trust's image in the eyes of more panicky investors has now been made good. But arguably any commercial connection of this sort is likely to hinder sales—because the uninitiated reader can be forgiven for fearing, quite wrongly in this case as in many others, that the advice will not be impartial.

The second edition, published this week, costs £2.95 from book-sellers or £3.35 direct from the publishers, Woodhead-Faulkner, 8 Market Passage, Cambridge.



Spotting the omens

Child benefit allowance

I am a widow with a young son whose own income is about £150, so reducing my tax allowance. I have now discovered that for the year 1977-78, the child benefit was less than the corresponding reduction in the child allowance. Is there any way of mitigating this? I read somewhere that a reduction only applies where the child's income exceeds £500. What does this mean?

The transition from child tax allowances to child benefit was not intended to improve (or even preserve) everyone's net financial position, and it may well be that you are one of those who has ended up worse off. We cannot comment in detail, without full facts and figures, but it is unlikely that there is anything that can be done to improve your current position unless the nature of your son's income is such that it can be reduced to £115 for 1978-79 (e.g. by selling income-producing investments and buying something which will not

produce any taxable income until after April 5, 1979).

For both 1977-78 and 1978-79, your child tax allowance will be reduced by a £ for every £ by which your son's unearned income exceeds £115. This figure has remained unaltered for many years.

The figure of £500 (£350 for 1976-77 and 1977-78) is the maximum for a young child's income from all sources including earnings; no more than £115 out of the £500 may be unearned.

Bank as trustee for a minor

My late husband appointed a bank as trustee of an inheritance he left for my daughter. Will you inform me, please whether the bank should have rendered a periodic account of its trusteeship to my daughter or to me as her guardian, or should now give a detailed account to my

daughter, who has now reached the age at which my husband decided she should manage her own affairs?

The trustee should render an account to your daughter when she reaches her majority. While a request for an account made before that time is likely to be considered with sympathy and possibly assented to, we think that neither she nor her guardian (if not a guardian appointed by the Court) can insist on an account before then without the direction of the Court.

A tenancy in common

My late father left his farm, "in equal shares" between my brother and myself with my mother as life tenant. Do these words imply joint tenants or tenants in common? Can my mother sell the property without the trustee's consent? Is it possible to register a charge at the Land Charges Registry, in order to protect my reversionary interest?

The phrase "in equal shares" is construed as creating a tenancy in common. The life tenant (your mother) can insist on a sale if the land is settled land,

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

but the trustees must join in to receive the purchase money and give a receipt. The need to have the trustees join in a sale provides the safeguard and no land charge is registrable.

A way to avoid CTT

My wife and I propose to buy a house into which one of my two sons will move along with us, and he will provide 30 per cent of the capital. It has been suggested that we loan the capital to our two sons and, so as to avoid CTT, each year release to them £2,000 of their debt. This seems unfair to the son not living with us as he would be liable to capital gains tax when he redeemed his share. Can you suggest an alternative which is fairer?

An alternative is to purchase the house yourselves but with the 30 per cent contribution

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

from the son who is to reside in the house. You can then assign to one or both sons in each year an appropriate part of your equitable interest. For this purpose division of the shares held in equity in the house into a large number (say 2,000 or more) will facilitate such transfers.

Enforcing a covenant

A covenant on my and the adjoining bungalow provides "The boundary fences shall be only a chain link fencing not more than 3 feet in height and planted with evergreens." My neighbour has permitted the boundary hedge to grow to a height of 7 feet and refuses to reduce it. What action can I take? Would any legal fees be likely to be as much as £100? Provided that the covenant is so framed as to run with the land as a restrictive covenant benefiting your land, you can seek an injunction in the County Court. You should consult a solicitor who can inform you of the likely costs, but we doubt they would be as little as £100.

A pension from Canada

A widow friend of mine Mrs. X emigrated to Canada in 1957 and we there until 1968 when her husband died. She then returned to this country, is in receipt of Widow's Pension. As she and her late husband spent ten years in Canada she also qualifies for Canadian Widow's Pension and Orphan's Benefit for her children.

She feels that the whole of the Canadian Pension, or certainly this part of it which relates to the children, should not be taxed. She has had protracted correspondence with a local Inspector of Taxes who has now notified her that she may take the case before the General Commissioners and she has this month received a further letter from the Inspector stating that "if the children's benefit is subsequently agreed to be the income of the children and not your income, then you would lose at least some part of the income-tax child allowance for each of the children, to the extent that the children's income would exceed £115 per annum." 90 per cent of the total pension and benefit received is being taxed can you confirm

this is correct. The lady is ordinarily resident in the UK and therefore I think a remittance basis cannot apply. Can you also confirm this point? As Mrs. X is both (a) ordinarily resident in the UK and (b), presumably, domiciled in England and Wales, the remittance basis does not apply to her schedule D case V assessments, as you say.

As a first step, Mrs. X should ask a tax inspector for a copy of the free booklet of extrastatutory concessions (IR1), and seek relief under concession A26, reminding the Inspector of section 23(3) of the Finance Act 1977, section 20(4) of the Finance Act 1978 and the Chief Secretary's promise for 1978-79, contained in the Inland Revenue press release of July 21). Unfortunately, the General Commissioners cannot give effect to extrastatutory concessions, since they must give effect to the law, and so Mrs. X is in the inspector's hands on this particular point. Concession A11(b) does not apply, unless Mr. X's death was the result of war service etc, as mentioned in the first paragraph (a) of that concession, in the booklet IR1.

Money Monitor

Shouting the odds

EVERYONE is supposed to talk about insurance against kidnapping in hushed tones. So American International Group, an ambitious American insurance company, has taken advantage of the silence to convey the message opposite. Its solution, writes Nicholas Colchester, is an "executive stress" policy which will cover you against kidnapping, ransom and extortion—just the things to get worried about this week-end.

AIG is proud of its ability to meet special insurance demands. "With a little legwork we can do anything Lloyd's can do," it announced recently over a photograph of the shapely Betty Grable. Its premium income from "executive stress" policies has been rising by about one-third every year over the last three to four years.

Such policies provide individuals with maximum coverage of \$500,000 per kidnapping (but not more than \$1m per year should any policyholder make a habit of it). AIG writes policies all over the world but the bulk of its business is with U.S. multinational companies. They can take out "group plans" for all their employees with a maximum payout of \$20m a year. Predictably, the premiums vary from place to place.

Lloyd's remains the world's largest supplier of this sort of insurance, and at least part of AIG's risk is re-insured there. But though Lloyd's position in this special market is well-known—a premium income in 1975 was estimated at \$80m and has undoubtedly shot up since then—its officials keep quiet about it. The Lloyd's committee effectively prevents Lloyd's brokers from advertising their willingness to do such business.

The major British insurance companies do not themselves write policies for kidnap and ransom. Their executives appear rather shocked by the idea of AIG's advertisement. Although AIG states encouragingly that "we'll handle all enquiries on a completely confidential basis," insurers here feel that such advertising could provide the underworld with a clue as to where the names of the easy pickings might be found. More generally, open discussion of kidnap insurance could further reduce people's



YOUR CHANCES OF BEING KIDNAPPED ARE GREATER THAN YOUR CHANCES OF BEING KILLED IN A PLANE CRASH.

moral scruples about getting into the kidnapping business. It is to stop this vicious circle of insurance policies, careless millionaires and friendly kidnappers that the Italian government has tried to ban the business. Italian insurance companies cannot sell kidnap insurance to Italians. Customers who turn abroad—chiefly it seems to Lloyd's—should fall foul of the exchange control regulations. This has not prevented Lloyd's providing cover for a number of wealthy Italians.

Jingle bells

THE CARILLON investment management concern has struck a wrong note in its sales campaign for its controversial new commodity bond. Would-be investors have been sent a copy of an article from these pages as part of a promotional package for the scheme—but with a few vital words edited out. These were the concluding comment: "Not for widows and orphans."

The article was reprinted—without permission—for a mailing shot to students of the Bellanca School of Investment, which is run by Carillon's chairman, John Sullivan.

Mr. Sullivan admits that his people have dropped a clanger and he has written to the FT to apologise.

Any Reliance student still in doubt about the scheme should remember that commodity investment, in which Carillon will stake half his money, is extremely risky. Another drawback of the scheme is that in addition to paying normal management fees the investor has to hand over five per cent of any realised profits he makes to the managers.

Mr. Sullivan comments: "We have attempted to make this bond as safe as possible but we recognise that it involves higher than normal risk. We don't recommend it for



Glyn Gelin

Pets as presents

ON MONDAY, if not sooner, quite a number of you will be giving or receiving pets as presents—pets large and small, from ponies to guinea-pigs; and not only the pets themselves but their accessories.

For the bigger, more expensive pets, how many of you will have thought about insurance, how many will have investigated the possibilities—or rather, how few?

In Britain, there are millions of cats, six million dogs and about a million horses and ponies; but probably only around 25,000 people bother to insure their animals. Maybe many cats and dogs are not thought to be worth insuring, since their replacement is often a matter of a few pounds, but the attitude ignores the real cost of getting the most cross-bred mongrel treated at the vets.

I will come back to vets later: just horses and ponies. Most of the major composite offices sell what they call livestock insurance, and this includes cover for horses and ponies; cover is also sold at Lloyd's, and there are besides, specialist insurers.

Normally, cover is available for death by accident or disease, or humane slaughter: cover is also offered if the animal becomes unfit for its normal duties and has to be put out to grass or sold off. Insurers fix a maximum age beyond which they will not provide cover—usually 15, but the terminal point may be lower, and premium in later years more expensive.

Nowadays, it is possible to get a pony insurance package—from the specialist Equine and Livestock, and from Norwich Union and General Accident. These policies cover the basic risks of death and necessary slaughter, and permanent loss of use, but allow the policyholder to pay

extra premium to get cover against loss by theft on straying, cover in respect of legal liability for damage and injury, cover against accidents to policyholder or rider, cover on equipment, and a modicum of cover for vet fees. This package is very like a "comprehensive" motor policy.

As with all insurances on property, the policyholder has

pending on the chosen range of optional extras.

In these policies some cover is given for vet's fees—usually there is a low limit, of £50 or so, and insurers require the policyholder to pay the first £10 of any claim. Clearly insurers intend this cover unattractive and unprofitable—and they do not sell the cover separately.

Quite the reverse is true when one comes to dogs and cats: here the specialist insurers, equinox livestock, dog breeders' insurance, are happy to set vet's cover without providing protection against death or slaughter.

Normally cover is provided for £100 worth of expenditure on any one course of treatment, and without limit in the year of insurance; the policyholder has to pay the first £5 of every claim and, of course, pay the cost of preventative vaccination.

Because of inflation, insurers' premiums have risen substantially, and a year's cover will cost from £9 to £12.50, depending on the type of policy chosen. The more expensive policy is again a package, for insurers pay for the death of the animal by accident, indemnify the policyholder in respect of legal liability incurred through the animal (with £100,000 limit, costs in addition) and pay £25 towards the cost of defending any prosecution under the Dogs Act.

Dogs get lost or stolen—and the cost of advertising the loss, of paying any reward offered for return, can be insured. Equine and Livestock is prepared to cover up to £100 each claim, irrespective of the value of the dog concerned.

These covers are available for "ordinary" animals, special policies are provided for more valuable pedigree animals, covering death, breeding rights and so on; and of course there are special contracts for kennels and catteries and even for animal beauty parlours.

Insurance

JOHN PHILIP

Are you a Private Company Director?

With expert advice, Private Company Directors can benefit more from their companies' profits. These profits normally suffer tax at a high rate. Through leading City institutions, Bryan Walls & Partners can make it possible to have your company's profits taxed at a lower rate. If you are a director, you can benefit from a scheme through which your company's profits can be arranged for your own benefit. If you are a director, you can benefit from a scheme through which your company's profits can be arranged for your own benefit. If you are a director, you can benefit from a scheme through which your company's profits can be arranged for your own benefit.

Bryan Walls & Partners
The Investment and Pensions Advisors
48 St. Martin's Lane, London WC2N 4LEJ Tel: 01-636 5525-6
Registered in England No. 1107226

Name _____ Co. year-end _____
Position _____
Company _____
Address _____ Tel. No. _____

TRAVEL

This weekend is traditionally the time when Britain leaps to its brochures and starts making holiday choices for the coming year. This time, however, the booking rush has started early. Here FT Travel writers turn their minds from the chills of winter and look at some of the choices for the summer of '79.

Off to the cities

BY SYLVIE NICKELS

CITIES OFFER their own particular rewards in summer—not least a widening of range of things to do—unless you are addicted to strolling streets, there is good reason to take geography and topography into account. The Scandinavian capitals leap to mind, not only because they are unlikely to be wilting with heat, but because no one knows better than the inhabitants of Oslo, Stockholm, Helsinki and Copenhagen how to make the most of every second of their shortish summers.

All are seaside cities (Stockholm with its glorious archipelago perhaps comes out best) and the first three are within commuting distance of countryside that is almost primeval in character. Boating, swimming and many other forms of water sport are well catered for, open-air summer theatres are very much part of the way of life and, in case of bad weather, there are art galleries, museums (here Copenhagen tops the list), and dining and drinking places in good supply.

A financial advantage is that most Scandinavian children are back at their school desks well before ours, and after mid-August prices can drop substantially.

The capitals of more central Europe can get pretty warm, though there is usually a broad river on which to catch the breeze. Three of them are linked by the Danube, and the

hydrofoil speeding between Vienna and Budapest in 4½ hours could provide a very happy combination of both being a special attraction, and the vineyards of Vienna and the thermal baths of Budapest adding their extra dimensions. Prague, one of the most beautiful of capitals, stands astride the Vltava whose character has been so hauntingly captured by Smetana in a composition of the same name. The Vltava's character, however, has been modified of recent years and it now feeds a series of man-made lakes that are also a lovely natural playground for Prague's citizens and visitors, within an hour's drive to the south.

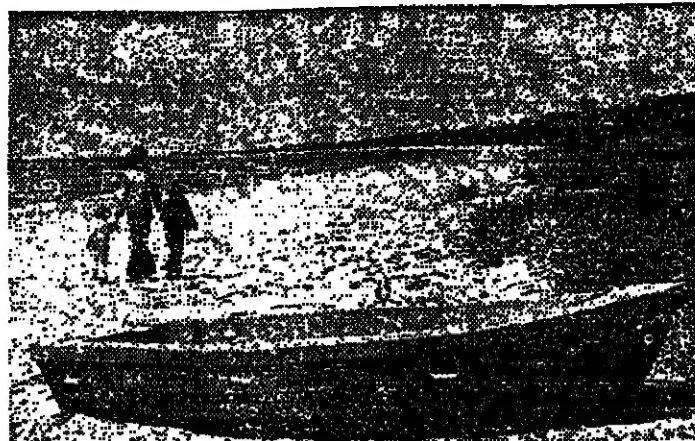
Cities offering varied short excursions to lake or mountain have an obvious summer advantage, and Bern is particularly well placed. It is also an attractive and endearingly cosy little capital, once you get into the old town's labyrinth of arcades, narrow streets and squares, many of them aglow with geraniums and bubbling with fountains. The city offers excellent short-stay packages, too, which make the most of the Swiss franc. Geneva and Zurich have similar packages and, of course, a large lake apiece on the doorstep.

Although cities of all sizes offer a variety of attractions, they usually fall naturally into one particular category. When it comes to art treasures,

Florence, Venice, Bruges and Antwerp all have a very high rating, the last-named being far less well known than it should be despite its Rubens' fourth centennial last year. A world diamond centre, major port, one of the earliest homes of printing, peppered with patrician houses and with Belgium's only maritime museum, it also has a particularly lively tourist organisation. And many of its sights are free.

Or there are cities which seem to draw their life from the sea. Dubrovnik is one example, a perfect little medieval walled metropolis, if you can ignore the summer crowds who never, anyway, seem to penetrate the further and sometimes most charming corners. San Sebastian is another, an expensive and verdant magnet for so many of the inhabitants (and the Government) of Madrid seeking the fresher air of this splendid stretch of Atlantic coast. Gibraltar is a third, where so much seems almost familiar even as the aura of North Africa steals across the Strait.

Happily such islands still exist and even very well known ones have whole areas by-passed by the tourist masses. You only have to fly over Mallorca to see what I mean. And while we're in the Balearics, though Formentera has sprouted a couple of large hotels and some self-catering accommodation since I rattled round it in an antique taxi some years ago, I imagine its peace is still relatively intact. You reach it



Sweden: a world of cities and beaches

EASE OF access and an influx of developers have sadly often removed these island qualities which differentiate a chunk of land surrounded by sea from any other old holiday area. An island, it seems to me, must have at least a degree of remoteness to remain truly an island, as well as a reasonable proportion of inhabitants retaining that elemental self-sufficiency which marks them out from lesser mainland mortals.

Regular boats still leave at hideously early hours to take products and people to the mainland markets, while the tourists sleep in preparation for sightseeing trips at more comfortable hours. Idyllic island communities like Rab, Korcula and Hvar inevitably get their daily ration of sightseers out from the mainland or off the cruise ships, but the influx is tem-

porary and there are other islands like Kirk and Brac which are large enough to lose a lot of tourists. Or there is the Kornat archipelago, a most bizarre collection of islands on many of which nothing much stirs at all except for a few sheep brought there by boat to graze. On the inhabited ones, best reached from Zadar or Šibenik, you can stay in private homes thus getting more than the usual glimpse of island life. Far away at the other end of Europe is one of the most beautiful archipelagos in the world: the Lofoten off the Norwegian coast, north of the Arctic Circle. The Lofoten Wall (of mountains) proves, on closer examination, to be indented with fjords and inlets, with pretty, brightly coloured fishing villages perched beside them. S.N.

Taking the kids

WE TEND to have shorter school summer holidays than almost any other European country and the lemming-like rush to the sea at peak season can create frustrating delays at airports and occasional problems of overbooking. So, if you plan to take your own small people abroad, these and off-season discounts are excellent reasons for avoiding high summer. Try and choose a resort which does not involve a long and tiring coach journey from the airport.

The Education Act allows parents to take their children away from school during term time to sit in with the family's annual holiday. There is no hard and fast rule about children's reductions but one child will probably have to share a room with their

parents. There are also special provisions for the times when some cases travel free, as they do not occupy a separate aircraft seat. It is then up to their parents to make arrangements with the individual hotelier for their food.

The importance of really understanding the small print cannot be overstressed. Children's reductions are generally most generous in the early and late season. You should also check that the beach is safe and whether baby-sitters and early supper are provided for the very young who will be experiencing a different climate and an unfamiliar diet.

Bearing in mind that tour operators operate different schemes, here are just a handful. Intasun offer some com-

pletely free holidays for one child up to eleven sharing a room with parents until, in early May, a 60 per cent reduction on 14-day holidays applies at certain hotels with 20 per cent off for a second child.

On some charter holidays, Blue Sky's discounts vary with age and departure dates with a 50 per cent reduction in May for the 2-7 year old and 25 per cent for 8-13, at three hotels in Ibiza. Infants travel free and their food is paid direct to the hotel. On scheduled services the overall reduction is around 20 per cent.

Sovereign's reductions, effective up to age 18 irrespective of departure date, vary between resorts. In Tenerife, for example, it is 30 per cent for the 2-8 year olds and 20 per cent up to age 15. A 15 per cent discount applies in some hotels if three or more children share a room.

Thomson's reductions are very comprehensive, varying between 10 per cent and 50 per cent on a package of over 12 nights. Some hotels offer a 25 per cent discount during July and August. If the child is accompanied by two adults but the usual ratio is one child to one adult. Again, the 'times travel free' and you settle with the hotel. Baby Patrollers can also be found at some hotels.

The Swedish company Vingresor, a new entrant in the direct sale market, at 46 Chesapeake, London, EC2 (01-248 2000) claims to offer considerable savings and a simplified booking procedure. They serve many popular holiday destinations and, at Alcudia in Mallorca and Grand Canary, are setting up Mini Clubs for the children at a supplement of £5 and £4 respectively for the whole holiday.

Further information: Spanish National Tourist Office, 70 Jermyn Street, London SW1; Norwegian National Tourist Office, 143 Regent Street, London W1; Norwegian National Tourist Office, 20 Park Lane, London W1; Finnish Tourist Board, 18, Old Street, London EC1; Icelandic Tourist Office, 155-157 Regent Street, London W1.

Chasing around the islands

HOTELS

BURNS HOTEL
Barkston Gardens
London SW5 0EN
NEAR WEST LONDON AIR TERMINAL
100 rooms, private bath/shower, radio, television, English breakfast, restaurant, bar — fully licensed, 2 lifts.
Special terms to companies
Details and illustrated brochure on request
Tel: 27885
Tel: 01-373 3181 or 7861

HARROGATE
Old Swan Hotel
BRITAIN'S MOST DISTINGUISHED CONFERENCE HOTEL
AA Telephone (0423) 504091. RAC
150 Rooms All en-suite with bath/shower, TV, radio, and colour TV, fully licensed, 2 lifts.
Pleasant Conference Room & Private Rooms & 70
Pleasant Dining Room & Bar
3 Restaurants & 11 bars & 11 bars
TELEX 87822 OLD SWAN HARROGATE
One of Britain's PRESTIGE HOTELS

FOREIGN HOTELS

ARONA Hotel Eden Phone 01041
Near to the sea and the city, French, Italian, Bar-restaurant.
ARONA Hotel Bellevue Phone 01041
191/191 24 21, indoor swimming pool, 25 x 10 m, excellent kitchen, bar, sea, transfer to airport free of charge.

HOLIDAY ACCOMMODATION

BRITANNIA VILLAS CHILDREN TRAVEL
FREE JUNE AND SEPTEMBER. Contact
Bridget Viles, 133a High Street, Uckfield,
Sussex. Telephone Uckfield 214173.

RESIDENTIAL PROPERTY

Curtiss
We do not claim to be magicians. We do try to find the good points in a property and let you know about them. If you wish to let a flat or house in London, please write to us to discuss your requirements. We have long-established contacts with many banks, companies and embassies and we need good properties for residential and business use.
Curtiss & Co. 01-583 5247.

MOTOR CARS

GUY SALMON Portsmouth Road, Dorking, Surrey. Tel: 01-338 4222

ROVERS	ROVERS	ROVERS
2300	2600	3500
From £5,450	From £6,250	From £6,999
Ex Works	Ex Works	Ex Works
or £140.11 per month Leasing	or £160.17 per month Leasing	or £178.94 per month Leasing

The latest price increases are more than ignored
WE ALSO HAVE SOME ATTRACTIVE USED EXAMPLES FROM £5,950
PHONE NOW FOR DEMONSTRATIONS, LEASING QUOTES AND H.P. ETC.
01-338 4222

NORMANS
CITROEN CX
IMMEDIATE DELIVERY OF SALOONS AND SAFARI ESTATES
Choice of colours.
Phone for Details and LEASING TERMS
81-85 FULHAM ROAD LONDON SW3 6RD
Tel: 01-584 5641

VOLVO
LEASING EXPERTS
LOWEST DEPOSITS
1-4 YEARS TERMS
1979 MODELS
Immediate or Early Delivery
FULL SERVICE MAINTENANCE
SPARE PARTS FACILITIES
KENSINGTON CAR CENTRE
181 WARWICK ROAD LONDON W14
01-370 3152/3/4

RICHARDSONS
FOR TRUCKS
OLDBURY BIRMINGHAM
Skip lorry specialists. 021-552 2803.
TX 336192. Immediate delivery on Bedford and Leyland chassis.
Self-drive hire.
keen rates for short- or long-term

SWB
TURBO DEALER
New models from stock plus the Turbo. Demonstrators available. Always 20 guaranteed used models in stock. Advantageous leasing/finance facilities.
JACK REEDER LTD
75 MAYBURY RD. WOKING, SURREY
Woking (04862) 65307 & 66663

COWIE LEASE
Experts in Vehicle Leasing
* Any make of car or light van, available in U.K. supplied — many for immediate delivery.
* Choice of Leasing Agreement options.
For further information about our Leasing Services
TELEPHONE 44122 (STD Code 0783)
COWIE LEASE LIMITED, MILLFIELD HOUSE, HYTON ROAD, SUNDERLAND, SR4 7BA. TELEPHONE 44222. TELEX 637885.

ART GALLERIES

OMEL GALLERIES 40, Abchurch Lane, London EC4N 3DF. Tel: 01-479 1230. ARTISTS: M.A.S. group, modern and abstract paintings, watercolours and prints by Mervyn Anderson, David Gurney, Graham Mitchell, Gregory Anthony Cross, Michael Jones, David Jones, Peter Procter. Also woodcuts by three contemporary artists. Mervyn Anderson, Peter Procter, 155-157 Regent Street, London W1. Tel: 01-479 1230. M.A.S. group, 10-12, Regent Street, London W1.

CLUBS

EVE 199, Regent Street, W1. Tel: 01-479 1230. A. J. Carr & A. H. Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hallyday and friends.

PUBLIC NOTICES

SALE OF GLAMORGAN
50.3m/50th March at 2.15 pm. December 2nd March 1979 at 11.30 am. Items totalled £1.5m. 50.3m bids accepted.

CLASSIFIED ADVERTISEMENT RATES

EFFECTIVE FROM 2nd JANUARY, 1979

	per line	single columns cm.
Commercial and Industrial Property	5.30	16.00
Residential Property	2.30	9.50
Appointments	5.30	16.00
Business & Investment Opportunities		
Corporation Loans, Production Capacity, Businesses for Sale/Wanted	6.25	19.00
Education, Motors, Contracts & Tenders		
Personal, Gardening	5.00	15.00
Hotels and Travel	5.00	12.00
Book Publishers		5.00

Premium positions available (Minimum size 40 column cms.)
£1.50 per single column cm. extra
For further details write to:
Classified Advertisement Manager,
Financial Times, 10, Cannon Street, EC4P 4BY.

PAN AM'S EXCLUSIVE NEW TICKET WILL TAKE YOU ROUND THE WORLD FOR £549.

It's not hot air.

Contact your Travel Agent or clip the coupon now for full details.
To: Pan Am, PO Box 747, Coudon, Surrey CR3 9JU.
Please send me your booklet 'Round-the-World in 80 days... or less.'
Name _____
Address _____
FT23/12

PAN AM Nobody can give you more for less.

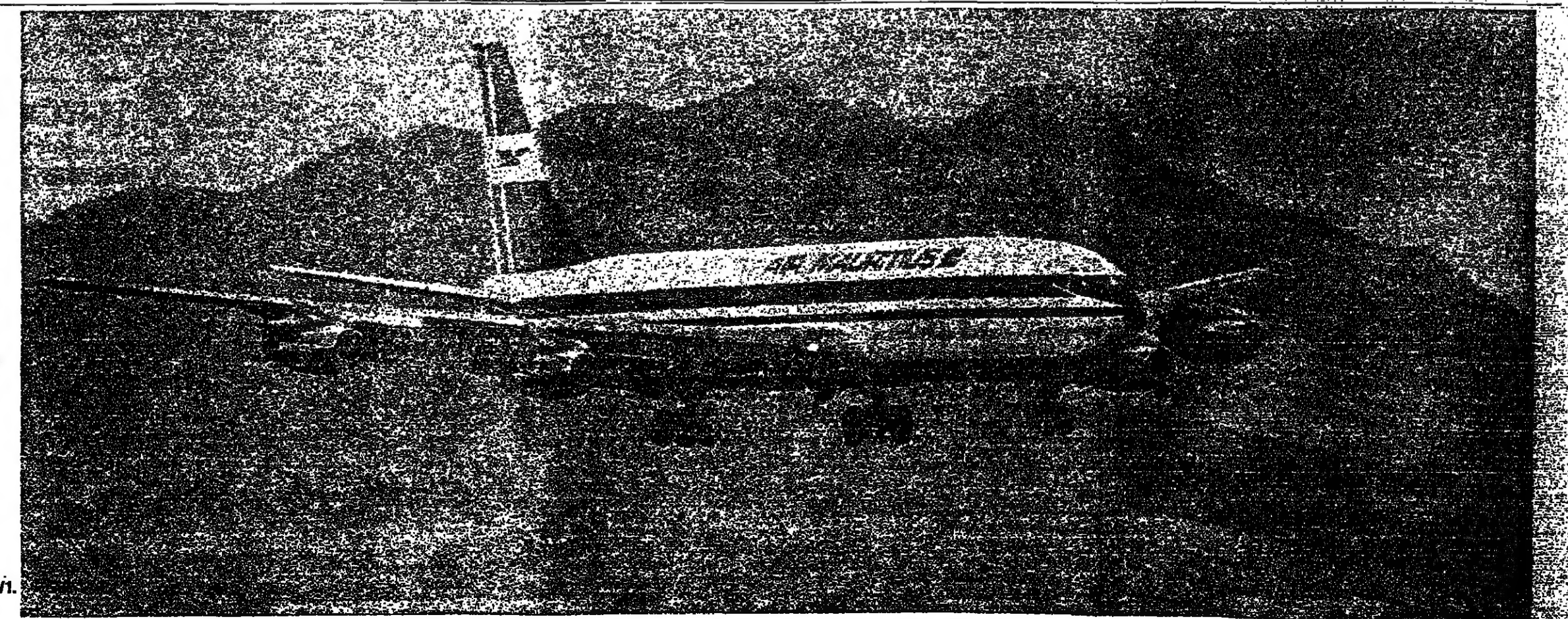
Air Mauritius flies to Mauritius via Rome and Nairobi (and from Mauritius to Bombay). You're going to love the difference.

Beautiful, charming, friendly, efficient Indian, French, Creole, Chinese and Muslim hostesses — all Mauritian — will take care of you all the way.

Special chefs will prepare a wide variety of meals for you. And some of the world's best crews will fly with you. Yes, it's the most cosmopolitan way to fly.

Air Mauritius' Boeing 707 departs London (Heathrow) every Tuesday at 18:40 hrs and arrives in Mauritius on Wednesdays at 13:50 hrs. Departs Mauritius every Friday at 19:45 hrs and arrives in London 07:30 hrs on Saturdays.

AIR MAURITIUS
As cosmopolitan as our island in the sun
Air Mauritius, 1 Albemarle Street, London W1.
General Sales Agents: British Airways



The most cosmopolitan way to fly . . .

مكازم التحمل

TRAVEL/PROPERTY/MOTERING

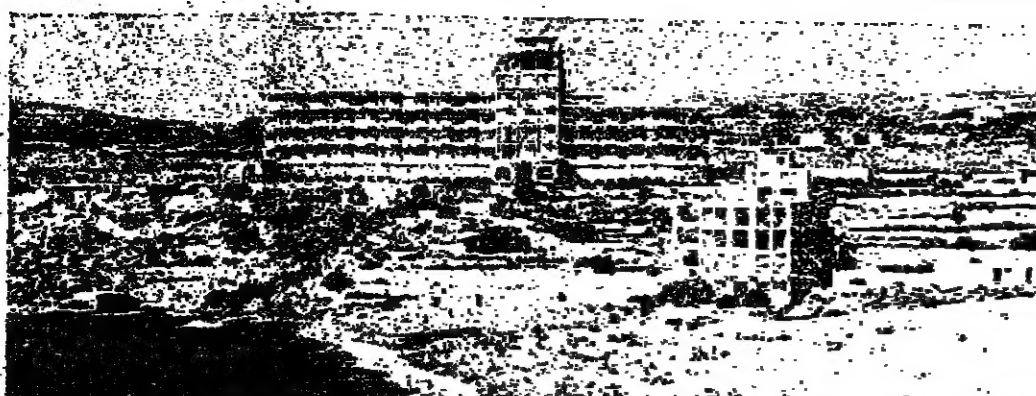
Behind the beaches

BY PAUL MARTIN

THE IDEAL family holiday, starting for all ages, should almost certainly include a beach and with the reasonable assurance of better weather over on the other side, from the basis of the annual summer holiday.

However, there are those—I number myself among them—who, while they love soaking up the sun, interspersed by an occasional dip in the sea, are highly civilised beach far-finders. A couple of days of the seaside lotus life, even if enlivened by the study of, occasionally, delectable female anatomy, suffice. The beach will after all still be there for the next 10 days or so.

Yet there is no need to adopt a totally M.C.E. attitude if you get itchy feet and, as a dedicated follower of the fashions and architectural styles of yesteryear, choose a beach within easy access of places which fill the cultural void. The sun-worshippers can spend the entire day on the beach while you quietly slip away for the odd afternoon.



Beach scene with modern hotel in Malta

The Belgian coast, while it shares our weather, has miles of splendid sandy beaches with the added advantage that the coastal towns like the main resorts. There is no need to book an excursion or hire a car to go to Bruges, Northern Europe's best preserved medieval city.

Take a trip round the coasts to get your bearings and, in the specialist collection of Elenah Primitives are not high on your priority list, stroll down to a cafe terrace along Dyer or the Rosary Quay and, over a coffee or a beer, listen to the mellifluous tones of the carillon ringing out from the graceful bell tower over the surrounding countryside.

Brittany has long been one of my own favourite summer places with its extensive sandy beaches not far removed from the splendour of Mont St. Michel, marking the dividing line between the ancient provinces of Brittany, and

Normandy. The main street, leading up to the marvel at the summit of the rock, is a souvenir land gone mad but even that cannot destroy the sense of wonder at the dedication of the monks who raised a monument to the glory of God in an isolated setting where the rapid, surging movement of the tidal seas is my abiding memory.

There too there is the lovely restored Corsair city of St. Malo and, inland, the fortified heart of Dinan set above the river Rance.

In the Italian resorts the beaches are still very much private enterprise affairs, with the concessionaires responsible for the daily wash and brush-up with rakes replacing combs. If you are in Lido di Jesolo, then Venice is not far away but for the young, blissfully happy with the sea, sand and the sun, a little classical "grot" goes a mighty long way. My 8-year-old daughter went right off Pompeii!

The Versilian Riviera, stretching along from Viareggio, is within easy reach of the treasures of Pisa, Florence and Siena but, if you are there during high summer, the city centres can be extremely hot.

Greece remains both a fabulous holiday country and the heart of the Ancient World and, if you are a determined seeker-out of antiquities, you are never far from them. I would willingly return time and time again, to Rhodes on condition that I could leave the brown bodies on the beach and climb up to the majestic setting and the incomparable beauty of the Acropolis of Lindos.

If you feel that just one member of the family or the party might occasionally like to drift away from the beach and if you need some guidance, this kind of advice is available from the National Tourist Office of your chosen holiday country.

An apocryphal story, perhaps, but one that is not far from the truth in some resorts as far as the daily snow reports go. Nonetheless skiers the world over rely on the reports for some indication of what the conditions are likely to be as they set off for their annual holiday.

For a newspaper the gathering of the snow reports is a thankless task. Err on the conservative side and the many letters arrive from resorts, err on the optimistic side and readers vent their fury upon the paper concerned. The problem is not made easier by the fact that weather conditions in

the mountains change with impressive speed. No snow one day can prove to be a blizzard the next. A sudden warm spell will remove yesterday's beautiful new powder.

In attempting to make life somewhere near bearable for all concerned we have arranged for Ski Club of Great Britain representatives in specially chosen European resorts to file their reports on snow conditions direct to this newspaper. These are independent reports and the resorts concerned have been chosen for their geographic locations so that readers will have access to a reasonable spread of areas.

Our U.S. bureau will be supplying us with snow condition information from North America.

We will be using these reports each Saturday. Such are the vagaries of mountain communications that by the time they reach the weekend breakfast tables the reports for some areas could be 48 hours old, but we feel they are still a reasonable indication of the weather patterns.

We, and the Ski Club, will do our best to make sure no one tries to cook the books by measuring the snow piled up beside the cow sheds. The only assurance we can give is that the reports are being filed by skiers, prepared for the paper by skiers, and intended for the eyes of skiers.

So far this year the omens are bad. Although there has been precipitation in much of the Alps, the temperatures have fluctuated so wildly that only on the uppermost slopes is there any real guarantee of snow this weekend. This is particularly unfortunate for beginners, who rely on a good cover on the nursery slopes for those important first steps—or falls.

Nonetheless, not everyone going to a ski resort at Christmas is there to ski, and the fact that most seem to be taking the apres ski holiday is likely to be as good as ever.

However, snow conditions are rarely the same throughout the Alps and there is a chance that many a skier will find good snow this weekend. It was interesting to see that the pictures of the world cup skiing in Yugoslavia during the week seemed to indicate a fair amount of cover in those mountains.

Reports from Switzerland illustrate the overall position clearly. Andermatt, Champéry, Gstaad, Saas Fe and Verbier are among areas reporting good conditions but such well known names as Grindelwald, Arosa and Muoteng all seem to have had a shaky start to the season.

As far as the U.S. is concerned my spies in Colorado suggest that the snow in the West is superb at the moment. In the Aspen area there has been several feet of new snow since the beginning of the month and several inches over the last few days. The news from the east coast is less enthusiastic, with many resorts a little light on snow cover. Skiers should check with the resorts for the latest position.

A place on the piste

BY DAVID FREUD

AT ONE time Crans-Montana, in the Swiss canton of Valais, was one of the most popular Alpine resorts with the British. The skiing potential was discovered by Arnold Lunz, inventor of the slalom, just after the turn of the century and in 1906 the resort was chosen as the site of the first Kandahar ski competition.

Some of the enthusiasms of those early visitors remain evident today—most notably in a fine 18-hole golf course in the centre of the resort, together with a golf-mad population.

However, nowadays the resort is little-known in the UK, and as the Swiss franc mounts in value year by year, the number of British visitors to Crans has steadily declined.

The rise of the franc has hurt many Swiss resorts—and the British are not the only nationality to be staying away. But Crans has decided to counter-attack. It has launched a major publicity drive, at the same time using its appeal—in both property and tourism—at a very specific sector of the market.

Crans-Montana is the third biggest resort in Switzerland, after Davos and St. Moritz, with more than 30,000 tourist beds. It lies about 2 and a half hours from Geneva on a sunny plateau at 1,500 metres, with slopes rising to 3,000 metres.

The slopes provide some 120 kms of piste, or marked and maintained runs, and a great deal of off-piste, especially lower down. There is some 38 kms of uphill transport, mostly cable cars, with a capacity of 12,000 riders an hour. This puts the resort comfortably within the top Swiss five in terms of transport.

While the skiing terrain is enormous, little of it is particularly challenging, making the resort better suited to intermediate skiers than experts. However, there is a wonderful

range of ideal slopes for beginners. Most of the slopes face south, which can mean that the pistes are icy early in the morning and snow cover deteriorates quite fast. But to compensate, Crans can lay claim to the best sunshine figures of any Swiss resort.

This, together with the type of skiing available, has given Crans a unique character. People live in Crans all year round, and the resident population totals 9,000—far bigger than in other resorts.

This means there is a lot more to do in Crans than ski. And it is estimated that only about a third of the visitors to the resort use the slopes.

Its size allows it to sustain an unmatched range of facilities. It is a major shopping centre in its own right, with numerous restaurants and nightclubs. There are tennis courts, ice skating rinks, inside and outside swimming pools, a 14km langlauf circuit.

Crans is within an hour's drive of at least three major resorts—Zermatt, Saas Fee and Verbier—and numerous smaller ones. All of which makes it the perfect base for people who want to own property in the Alps.

So it is hardly surprising that Crans lays claim to the first apartment blocks built in the Alps for sale to the general public. Until Crans broke with tradition, Alpine property development consisted of chalets and hotels.

Not is it surprising that among the home-owners of Crans can be numbered such international personalities as Charles Aznavour, the French singer, Sheikh Yamani, the Saudi Arabian oil minister, and the Belgian royal family.

There was a major boom in Swiss resort property through the sixties and early seventies, and buildings across the wide plateau of Crans-Montana remain to testify to it. The boom was killed by three factors: the oil crisis of 1973, the rise in the franc and legislation aimed at limiting property purchases by foreigners.

The biggest developer in Crans, Gaston Barras, who claims to have built—in 1957—the first Alpine apartment block, has reacted to the triple blow by going up-market. It is a policy that has been remarkably successful.

Rather than the large, closely-packed blocks typical of the sixties—and evident currently in the new French resorts—the recent Barras projects have been small and elegant. One development nearing completion, for instance, consists of 24 apartments in three modest blocks set in a full hectare of ground—no more than 10 minutes walk from the nearest ski lift.

The apartments are of the highest possible quality. They are spacious and cleverly designed. Each bedroom has an attendant bathroom, while the decorations are completed to the choice of the purchaser. Most have superb views across the valley.

M. Barras said he moved up-market to survive. "The last people to be affected in any crisis are the very rich, so I had to build for them," he explained. "I could make the same return by selling ten top class apartments as selling 50 further down the market. And ten sales are easier than 50."

His decision was reinforced by legislation in 1978, the Lex Furgler, that laid down that 35 per cent of any new development had to be bought by Swiss residents. This effectively rules out large-scale development as there is insufficient domestic demand to match it—even on a two-for-one basis.

The law has forced many developers to adopt a differential pricing strategy, and M. Barras estimates that the 35 per cent of his apartments reserved for residents have been sold at a discount of about a third.

This is an additional factor boosting the prices of Swiss property for foreigners along with planning insistence on a nuclear fall-out shelter under each block and the rise of the franc. Whereas in 1957, the Frenchman who bought M. Barras' first apartment paid about £2,500 at the prevailing rates of exchange, a similar property today could cost as much as 40 times that amount.

There can rarely have been a better hedge against inflation. Prices for new two-room apartments of some 65 sq metres, with balcony, average about SwFr 350,000 (£106,000). Four-room apartments of roughly double the size are about twice as expensive. Gaston Barras also acts as agent in selling second-hand top-flight property, and prices here run at some two-thirds of the level of new apartments.

Maintenance charges and taxes add up to a little over 1 per cent of the purchase price annually. The cost of running an 85 square metre two-room apartment, for instance, is SwFr 6,000 (£1,800). Much of this can be recouped from letting, although this is not guaranteed.

Gaston Barras can arrange Swiss mortgages for foreigners of up to 50 per cent at 8 per cent interest repayable over 10 years. British residents should add the dollar premium to the prices, currently moving within the effective range of 30-40 per cent.

For further information contact Gaston Barras, 3963 Crans-Sur-Sierre, Switzerland, or Grafton Consultants, 14 Dover Street, London W1.

WINTER SPORTS

ARTHUR SANDLES

"ABC" said Hans, scraping his skis through the thin layer of snow and revealing the still green grass of autumn. "Let us say 20 centimetres." And they all laughed and walked back to the bar, hopping now and then to avoid the muddy puddles.

Green for Gjovik

STEIN ENGELL, our ski instructor and a former Telemark champion, was a dedicated cross-country man who still favoured the graceful Telemark turn. He showed us how to wax our skis for the unusually cold conditions. "Green is the cold wax and so it was Green for Gjovik." I spent a week there, on the shores of Lake Mjøsa in Eastern Norway and not far from Lillehammer.

Day 1 found us out on the gentle slopes at Tranberg Farm with marked tracks through the silent, sunlit, snow-covered wilderness of the Norwegian pine-woods just below.

Cross-country involves a very different technique from Alpine skiing and, although nothing can quite replace the sheer exhilaration of a controlled, rapid descent on a prepared piste, cross-country has a completely different appeal. I returned home an enthusiast.

It was my first shot at an activity that has acquired many names. In Norway it is called Lespring. The boots are soft and pliable, and with the 3-pin Rottefella binding on our hired but virtually new touring skis, there is great fluidity of movement. Your heel is free and you quickly pick up the rhythm of a toe-beat action.

Day 3 found us doing the mini-course without poles and bobbing over hummocks under three gates made out of our now confiscated poles!

Many skiers regard Day 4 as make-or-break time and I felt a real sense of achievement in covering ten miles of gorgeously varied country. Cross-country skiers are always shown skiing uphill, and, while some berring-boning and side-stepping are involved, it is usually followed by energetic double-polling and the lovely moments when the hill does the work. You move at your own pace on clearly marked tracks foodlit at night. No lift queues and no exhibitionist piste-bashers demoralising a clear passage.

Time too, to stop and take a photo, which a squirrel cascading down a tree or mark the footprints of an elk—you'll never find one crossing your path in daylight! The golden

rules are simple. Don't set out alone without telling someone and don't overtax yourself. Apres-ski, in the accepted sense, is nonexistent but The Strand Hotel in Gjovik is the town's social centre with three restaurants, a pub and, for hotel guests, unlimited free use of both the saunas and an attractive swimming-pool.

A week's demi-pension, with private facilities and including London-Oslo scheduled air and the onward train journey, costs from £172 from Norwegian State Railways Travel Bureau, 21/24 Cockspur Street, London SW1Y 5DA. The £35 ski-pack includes hire of boots, skis and a snazzy cross-country ski suit which is yours to keep.

Full information about Norwegian cross-country skiing is available from The Norwegian National Tourist Office, 20 Pall Mall, London, SW1Y 5NE.

SNOW REPORTS

RESORT	snow depth (cms)	Conditions
Val d'Isere	70 110	Good snow on higher runs
La Plagne	70 130	Most runs now complete
Les Menuires	38 60	Good conditions and all runs should be open for the weekend

RESORT	snow depth (cms)	Conditions
Seefeld	15 15	Runs only open halfway, piste worn
Davos	10 30	Good

U.S. REPORTS
Stowe (Vermont), Powder, 30-inch base, 24 of 29 runs open.
Sugarloaf (Maine), Powder, 8-12-inch base, 3 of 43 runs open.
Sugarbush (Vermont), Powder, 10-20-inch base, 27 of 70 runs open.
Aspen Mount (Col.), New powder, 21-49-inch base. Snow within past 24 hours. All runs open.

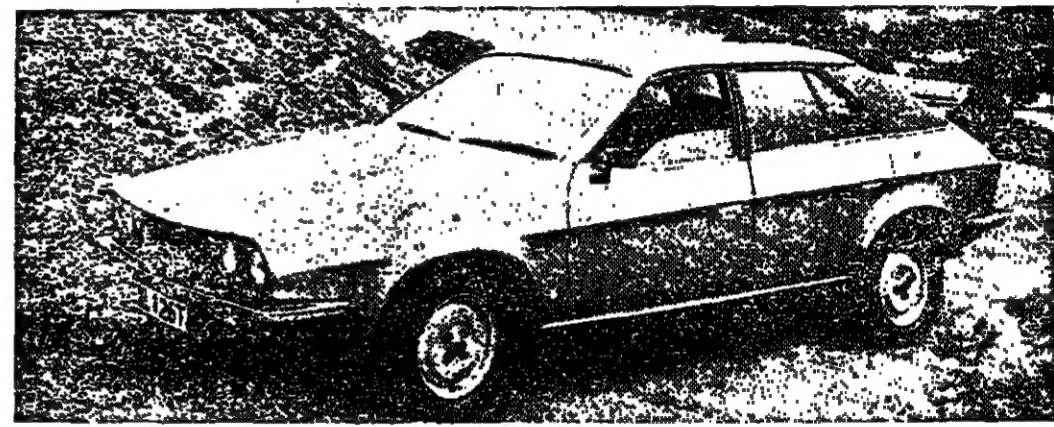
Sweet Princess

THE FIRST Princess 2 I drove soon after its launch last summer was a 2000HL with the then new overhead camshaft Oserev engine, manual transmission and power steering. I noted that the two-litre engine was an improvement on the aged 1.8 litre it replaced; that the gear change was still gritty and the transmission inexcusably noisy in traffic; and that the power steering was pleasant.

This week, I have been driving a Princess 2 one more. Again, it is a 2000HL. The engine is lusty but strikes me as less than refined. The Borg-Warner automatic transmission removes what were the main causes of aggravation on my first encounter with the Princess 2. And the non-powered steering is heavy enough to delight a physical culturist trying to build up his biceps but I can't see it being acceptable to anyone else.

Many people—including not a few inside the B.L. Cars organisation—have been praising Britain's answer to the Citroën CX. But is it? There are obvious similarities. Both are medium-large executive saloons with cross-engines, front wheel drive, suspensions relying on high pressure gas and hydraulics instead of steel springs, and advanced styling.

In some ways—the layout of fascia and minor controls, for example—the Princess is a much more traditional kind of car. Its exceptionally spacious interior has a look of conventional richness about it. The boot is averagely roomy but the spare wheel, which takes up a



BL's Princess 2000 HL

lot of space, can be got rid of by opting for Dunlop's Denovo runflat tyres for an extra £99. (This problem doesn't arise with the Citroën which, very sensibly, keeps its spare tyre out of the way under the bonnet.)

The Princess is much more difficult to reverse than the Citroën because the wedge-shaped styling gives it so high a rear parcel shelf you can't see out of the back window. This may seem fairly unimportant, but even long-standing owners get into trouble. A friend who came to drink last Sunday week prudently reversed his Princess through our gate but within 20 yards had gone off the drive and backed its hoot into the rhododendrons. "Sorry... I didn't want to stick my head out of the window because of the rain and I couldn't see where I was going," he explained. I believed him.

The Citroën has a maximum speed at least 10 mph higher, is as economical, has self-levelling suspension, rides better (though the Princess comes close for comfort) and has more effective headlamps. Power steering, in which the amount of assistance varies with the speed, is standard. It takes getting used to, but once you

understand it, the Citroën Vari-Power system is very good indeed.

So, too, is the more orthodox system available for an extra £240 on the Princess. (On the dearer six-cylinder Princess 2200s it is part of the package.) Putting power steering on the

MOTERING

STUART MARSHALL

Princess 2000HL transforms it in town from a clumsy levitation into a fairly nimble car, though it narrows the considerable basic price advantage the £4,254 BL car has over the £5,199 Citroën CX2000 Super.

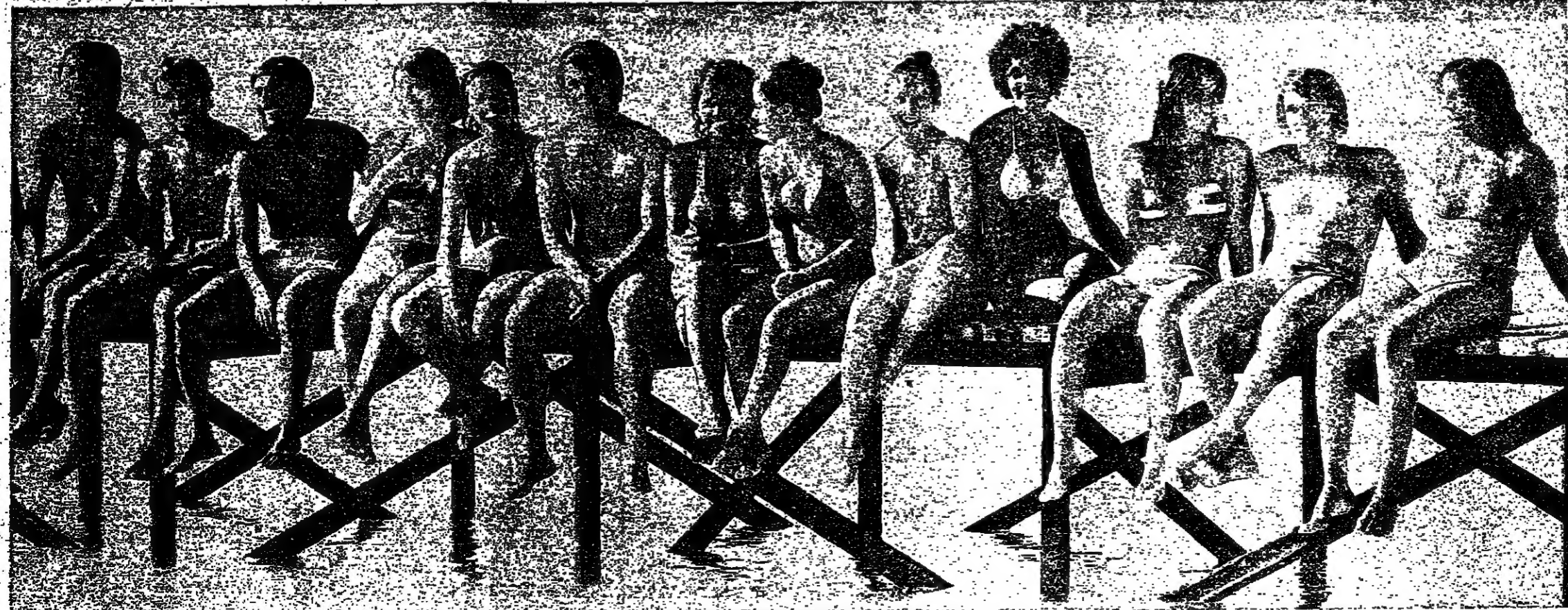
What could be the clincher for any business motorist wondering which car to go for is the fact that only the Princess can be had as an automatic. The Borg-Warner equipped car is as big an improvement over the manual Princess as is the power-assisted steering over the muscles-only kind. It is much quieter; there is still some whine from the main drive gears

but almost none from the transmission itself. And you never have to pause at the traffic lights while you struggle to engage first gear, which happens all the time with the manual model.

Overall fuel consumption is, as always, two or three miles per gallon worse with automatic transmission, but the difference could be less if the car is used a lot in town. It's roundabouts and swivels really. For me, the slightly higher petrol bill at the end of the month would be fair exchange for the greater driving pleasure of the automatic. In normal driving, the two-pedal Princess is as quick off the mark as the manual and it cruises just as nicely on the motorway.

By the time the Princess 2000HL has had power steering, Denovo tyres and automatic transmission added, the price is £5,005, while the £194 less than that of a manual Citroën CX2000.

My personal choice would still be the CX, but the Princess HL automatic with extras must be considered a well equipped, comfortable car, with ample luggage space, easy town driving habits and a relaxed performance on a journey.



to the most cosmopolitan island in the sun **Mauritius** the most cosmopolitan island in the sun

To: The Mauritius Tourist Information Service
Suite 433, High Holborn House
52 High Holborn, London WC1V 6RL

Please send me the free full colour 12-page brochure and 24-page pocket guide.
I enclose stamps to the value of 12p for postage

Name.....
Address.....

BOOKS

Bliss and after

BY RACHEL BILLINGTON

Katherine Mansfield, a biography by Jeffrey Meyers. Hamish Hamilton, £7.95, 306 pages.

Katherine Mansfield's work is still overshadowed by her life. It will be interesting to see if this changes now that Jeffrey Meyers has untangled the threads of her 35 frantic years. Three main themes gradually emerge: her work, her health and her husband.

Her belief in herself as a writer compensated for a frustrated childhood in New Zealand with a cold delicate mother and the father she described to Lady Ottoline as looking "a typical Colonial banker." Her health would never have been normal but was exacerbated by her years of sexual misadventures which gave her the material for her stories and the look of coarseness which both intrigued and repelled the cold intellectuals of Bloomsbury.

"Dead, dead, dead" as D. H. Lawrence described them. The parallel which Dr. Meyers draws between the two writers who were both fighting a losing battle against tuberculosis without using any of the conventional weapons is tragically convincing.

Meanwhile J. Middleton Murry makes his appearance, according to Dr. Meyers, the "clever but not creative" villain whose "acquiescence in her self-deception hastened her death." Certainly he was an unpleasant man about whom many unpleasant things could be said. Not least Katherine's remark that "he couldn't find a sausage without thinking about God." Their kitchen life seems to have been particularly fraught. Middleton Murry described how on the first morning of their

cohabitation he came to the breakfast table to find a raw egg sitting in his cup with a label attached. "This is your egg. You must boil it. K.M."

It was poverty that sent them to the kitchen and poverty that caused most of their problems. It is tempting to speculate what Katherine might have been if Middleton Murry had been a Leonard Woolf.

Another possibility that Dr. Meyers doesn't investigate is that in some awful way Katherine Mansfield needed loneliness, misery and poverty to produce her work. Certainly she did all her best

C. P. Snow is away

writing under these circumstances, usually in some seedy European hotel looked after by her hated and loved slave, Ida Baker. After all, she had known physical comfort in New Zealand and, although she rejected it, there seems no real reason why she couldn't return there at any moment she chose. Dr. Meyers stresses the seariness of her rich father. But was this because of her attitude?

The circumstances of her death in particular make this seem a possibility. Gardieff and the simple life of a simulated Russian village are not the choice of someone who is longing to be looked after within a conventional marriage. From 1918 she knew she was dying. Her aim above all was to write. The African ethos—justice, hope and defiance are all well done. Here we are in the hands of a narrator whose skill has matured and sympathies extended. Behind all the brutality and bloodshed and white barbarity people of good will exist on both sides. Not once does the prose crack or dialogue ring false.

In the end Kandaha gets independence with Kawa as Head of State, but the Bristol Gold Syndicate the real power in the Colony survives the change. The white leave by the front door and return by the back door. The doomed love of George Norris—son of Sir Ray—for the lovely black girl Anna Alines forms the most moving part of the novel. The right tone and voice are adapted and there is no sentimentality. Young Norris is killed—not by the "rebels" but by a shrapnel from an official bomb.

To me the most engaging character is Mr. Patel, an Indian businessman. His speech defies grammar and he transcends morality with breathtaking ease. It is not an entirely unflattering portrait, except that while all Patels are Indians, not all Indians are Patels.

Those interested in Africa, its people and problems will find *Smoke* very worthwhile reading.

Indeed my only serious criticism of Dr. Meyers's book is that he doesn't do enough to defend Katherine Mansfield the writer, as opposed to the woman. He quotes criticisms not only from the printed reviewers who found her "cruel, passionless and cynical" and her themes "narrow and cynical" but also from her closest friends and patrons. D. H. Lawrence said: "She was not a great genius. She had a charming gift, and a finely cultivated one. But not more." Lady Ottoline Morrell said: "She did not see very deeply into the tragedy of human lives, and it was perhaps this want of insight that made her so often pitiless and scornful."

Even Virginia Woolf who printed by hand 300 copies of *Prelude* and recognised it as "the detached existence of a work of art" also described it as "freely watered with some of her cheap realities" and called *Bliss*, "very thin soil, laid an inch or two deep upon very barren rock."

After such attacks I expected a strong rebuttal from such a sympathetic biographer as Dr. Meyers. Instead he only gives an excuse which by implication agrees with her critics: "Her illness" inevitably intensified her egocentric introspection which limited both the range and the depth of her stories. This view sits oddly with his continual vilification of Middleton Murry whose refusal to subordinate his own successful career to hers was surely perfectly reasonable if she was only a second-rate writer.

The truth is her so-called "superficiality" was a matter of style. Critics have always had a great ability for confus-



Katherine Mansfield: life of story-telling

ing style, with content. Katherine Mansfield's insight into character and situation are as deep as anything either Lawrence or Woolf could manage. But it came in a short-sentenced, brittle, almost lacquered form, which made it an easy target for those who prefer to criticise rather than to understand.

No one reading even the less well-known stories such as *My Kinsman, Major Molineux* or "The Little Girl" could fail to be moved by the desperation and isolation of her heroine. Even her earliest book, *In a German Pension* whose easy satire made her dis-

like it later has a great deal of importance to say about the husband/wife, master/slave relationship. Isolation must surely be a central theme in human existence. The most absurdly dismissive critic of her work was Mr. Malcolm Cowley whom Dr. Meyers quotes with apparent agreement. He writes scornfully that she had "three backgrounds only, continental hotels, New Zealand upper-class society and an artistic set in London."

Anyone who insists on making a dull pickle stand for romantic freedom and equality must expect early suspicion. But we should be over that by now.

Passing Bell

BY ZARA STEINER

Gertrude Bell by H. V. F. Winstone. Cape, £7.50, 322 pages.

Gertrude Bell is one of a group of women whose independence of mind and physical courage enabled them to pierce the protective coverings of Edwardian society.

Most were well-born, financially independent and, like Gertrude Bell, surprisingly conventional in all social matters. At the age of 30, already a world traveller, Miss Bell asked her father's permission to go from one place to another and though she travelled in the desert with but one male servant would not go out unchaperoned in London. She was the daughter of a Liberal MP who combined an interest in industry and science with the pursuits of the country gentleman and already at an early age Gertrude was introduced into the upper reaches of the ruling circle.

Intellectually precocious and independent in her thinking, she took a First in history at Lady Margaret Hall but proved too restless to settle down to the rigours of scholarship. Taking advantage of a loving and surprisingly indulgent family and almost unlimited financial means, she wandered the world, through Europe, the U.S., Japan, and above all the Near East which captured both her interest and her emotions.

She was a superb linguist, speaking fluent French, German, Persian, Arabic and Turkish, a first-rate mountaineer, completing climbs which upset even her distinguished Swiss guides, and could ride for hours on horse or camel in all kinds of terrain. Miss Bell was a good archaeologist, botanist and photographer; she wrote accounts of her journeys and published a book of travel notes, *Travels in Mesopotamia*, and a book of her journeys in the Near East, *Travels in the East*. Her political chief, Sir Arnold Wilson, she subsequently used all her London connections to

Mr. Winstone was fortunate in having at his disposal a huge collection of letters documenting almost every phase of Gertrude Bell's life from early childhood until her suicide in Baghdad in 1926. He has filled in the gaps from the public records and from other private sources.

Much of this book revolves around the personality of Miss Bell, a not always attractive but an obviously compelling figure. An early romance in Persia was blocked by her parents. Then came the great personal passion of her life, an attachment to Lt-Col. Charles Doughty-Wylie, a professional soldier killed at Gallipoli, very much in love with Gertrude but unwilling to change his life.

Their exchange of letters, used here for the first time, are extraordinary in their intensity and frustration. By contrast, Mr. Winstone is almost too glib in his treatment of this central chapter in Miss Bell's life.

It was the war and the Arab revolt which gave Miss Bell the opportunity to channel her energies and talents. Here, the sharp, acquisitive, analytical judgement and the burning desire for knowledge found a common focus. Mr. Winstone describes Miss Bell's involvement in wartime intelligence work, her role in the famed Arab Bureau, her connections with T. E. Lawrence, and her part in the Arab Revolt. Miss Bell was the official correspondent of the Arab Bureau and Sir Percy Cox's, Oriental Secretary in Mesopotamia, travelling, collecting intelligence, contributing to the famous Arab Bulletin, dealing with tribal sheikhs and desert Arab leaders.

It might have been predicted that she would become one of the leading advocates of an independent Iraq, but she was not. Her political chief, Sir Arnold Wilson, she subsequently used all her London connections to

favour the cause of independence and Prince Faisal and saw her efforts succeed with his governing in 1921.

The subsequent years were less happy. Faisal went his own way, and though his loyal supporter enjoyed a special place in Baghdad, she was rarely consulted on political issues.

Mr. Winstone does not delve too deeply into the complexities of the Arab Revolt and subsequent Near Eastern developments. The reader might have been offered more assistance in this respect without upsetting the balance of the book. It is difficult to judge from this account how important Miss Bell's contribution was to these momentous changes.

One can infer from a statement of T. E. Lawrence, quoted by Mr. Winstone, that she tended to change her views according to her mentor at the moment (a fault attributed by the author to her sex) but the evidence presented is insufficient for a final judgement.

Mr. Winstone's use of her letters, however, gives one a sharp insight into the tensions which made Gertrude Bell such an intriguing person. Contemporaries had and readers will retain a mixed impression of her: Her talents and bravery were undoubted, as were her energy and passion. Her workman and self-sacrificing nature for her country's position allowed her a degree of freedom denied most civil servants.

Her sex protected her in the desert, and she was not above using it to her advantage. She had little liking for members of her own sex, particularly those who had also spoken with tradition and they, in turn, were highly critical of her. Though Mr. Winstone has drawn a rounded portrait of his subject, he has not made her letters dominate the book. One sees Gertrude Bell through her own eyes. One is fascinated, rather than enlightened by this account.

Fiction

Whites come back

BY K. NATWAR-SINGH

The Smoke That Thunders by Dominic Mulisho, Heinemann Educational, £4.25 (Paperback £1.50), 285 pages.

Dominic Mulisho is a remarkable Zambian: economist, former Civil servant and now President Kaunda's Principal Adviser on Economic Affairs. Here we meet him in his avatar as a novelist. With the exception of the Kenyan writer Ngugi Wa Thiong'o (*Hearts of Blood*) Mulisho is Central and East Africa's most accomplished and gifted writer. In his first novel, *The Tongue of the Dumb* (1971) he gave ample proof of his talent.

The Smoke That Thunders is set in Kandaha, a not so imaginary British Colony in Central Africa between Rhodesia and Zambia, not too far from Musi-to-Tunya, the Victoria Falls. Fact and fiction overlap. The Zambian freedom struggle and the current upheavals in Zimbabwe provide the setting. Kandaha, the night and noble leader of the People's Army of Liberation Party (PALP), is easily identifiable, as is Sir Ray Norris, the Polish immigrant who made good in Rhodesia.

The white expatriates are deftly drawn and their imbecile world of racial arrogance, administrative high-handedness and folly is devastatingly exposed in a matter-of-fact way, without artifice, or literary sophistication.

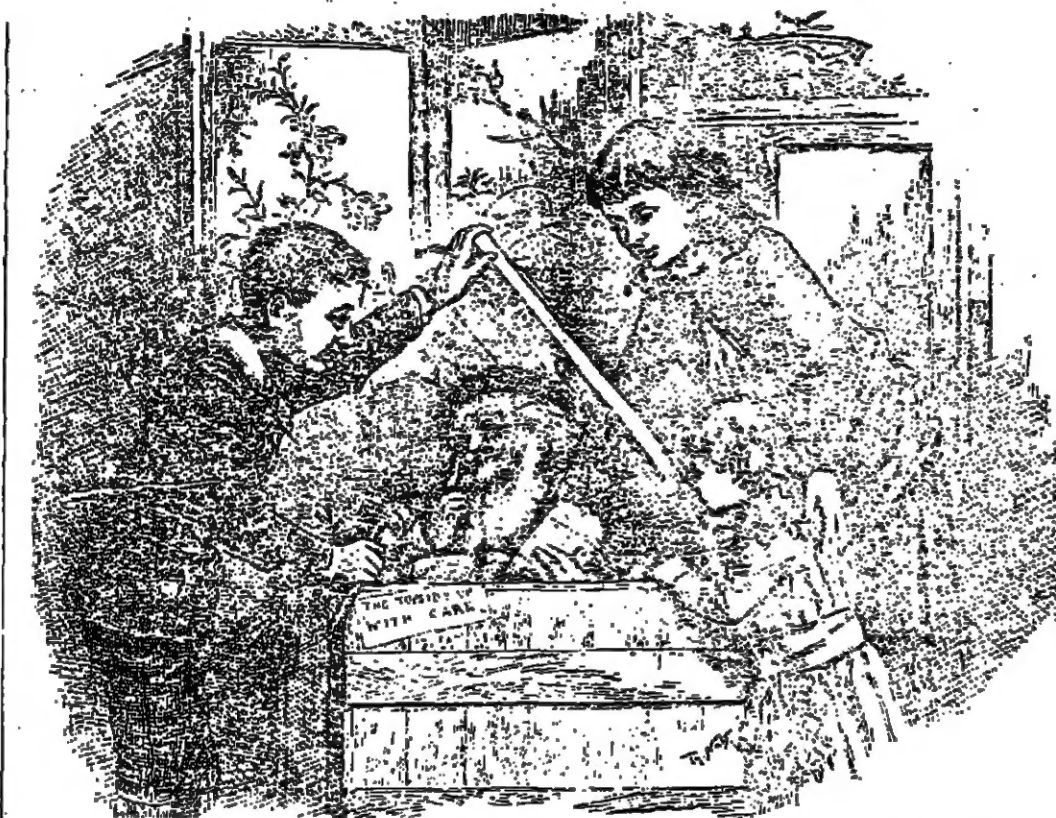
Vorster's English administra-

tors in India appear as harmless Oxbridge dons compared to the colonial scum sent out to Africa. The African ethos—justice, hope and defiance are all well done. Here we are in the hands of a narrator whose skill has matured and sympathies extended. Behind all the brutality and bloodshed and white barbarity people of good will exist on both sides. Not once does the prose crack or dialogue ring false.

In the end Kandaha gets independence with Kawa as Head of State, but the Bristol Gold Syndicate the real power in the Colony survives the change. The white leave by the front door and return by the back door. The doomed love of George Norris—son of Sir Ray—for the lovely black girl Anna Alines forms the most moving part of the novel. The right tone and voice are adapted and there is no sentimentality. Young Norris is killed—not by the "rebels" but by a shrapnel from an official bomb.

To me the most engaging character is Mr. Patel, an Indian businessman. His speech defies grammar and he transcends morality with breathtaking ease. It is not an entirely unflattering portrait, except that while all Patels are Indians, not all Indians are Patels.

Those interested in Africa, its people and problems will find *Smoke* very worthwhile reading.



"The Watch on Christmas Eve"—one of 69 illustrations in "Thomas' Santa's Christmas Drawings" (Constable/Dover Books £2.34). Mast was the great disseminator of the Santa Claus image throughout the United States in the nineteenth century. The book, which originally appeared in 1890, has an introduction by Thomas St Hill Mast, grandson of the artist

Unmasking B G

BY RICHARD JOHNS

Ben-Gurion: A Biography, by Michael Bar-Zohar, Weidenfeld and Nicholson, £12.95, 334 pages.

Even his Arab enemies could hardly deny that David Ben-Gurion was one of the outstanding leaders of this century. No lesser contemporary than the imperious General de Gaulle, whose Middle East policy was later to cause Israel so much bitterness, described him as "one of the greatest statesmen of our time." Yet none could have been so inscrutable. Ben-Gurion's own memoirs revealed virtually nothing.

Given privileged access to the archives in the mid-1960s, Mr. Michael Bar-Zohar went a long way to penetrating the crazy facade of the "Old Man" and throwing light on his involvement in critical events, in an earlier work published a decade ago, *The Armed Prophet*. Now with the use of new material, particularly diaries of Ben-Gurion and freed from some inhibitions by B-G's death in 1973, and the lifting of censorship, he has produced what may be regarded as a definitive

political biography (although unfortunately the English language version has been substantially abbreviated).

Bar-Zohar gives us the most detailed and fascinating account yet of the Zionist conference at which the finer points of the Israeli-French collusion against Egypt prior to the Suez War were worked out. He has provided new information about the Israeli leader's attempt to negotiate with Nasser in 1956, the secret alliance with Turkey concluded by him in 1958, and the crisis with the U.S. in 1960 over the nuclear reactor at Dimona. The author has unravelled with greater precision than anyone before the notorious Lavon Affair—both the bungled intelligence operation of 1954 in Egypt, which was aimed at destroying Egyptian-U.S. relations, and also the political repercussions later, in resulting from the efforts of the former Defence Minister to be cleared of responsibility. Indirectly, this led to Ben-Gurion's resignation in 1963.

In territorial terms Ben-Gurion was a maximalist who only accepted the partition plan proposed in the British White Paper

of 1939 for tactical reasons and would have liked to conquer the whole of historic Israel. Including much of Lebanon in 1943, though he realised this to be politically impossible. He embarked on the Suez War wanting to secure Sinai in perpetuity. However, Bar-Zohar reveals how, surprisingly, the "Old Man" was opposed to the "preventive" attack on Egypt in 1967 in complete contrast to the image of him held by a majority of the public who called for his return to power. He was then no longer the adroit, forthright leader his admirers knew.

"Obstinacy and total dedication to a single objective were the most characteristic traits of David Ben-Gurion." In personal terms his attitude was almost unbearable. Even so, and in spite of his enduring devotion to his wife, he had his love-affairs, in particular the most important one with an English woman, Doris May. Bar-Zohar has unearthed and quoted correspondence between them. He has succeeded well in his aim of a synthesis between depicting the statesman and the man behind the legend.

First liberated woman

BY JUNE FIELD

Eleanor of Aquitaine—A Biography by Marion Meade. Frederick Muller, £9.50, 389 pages.

Eleanor of Aquitaine—The Mother Queen by Desmond Seward. David and Charles, £8.50, 284 pages.

The intriguing story of Eleanor of Aquitaine (1122-1204), wife of two kings—Louis VII of France and later Henry II of England—and mother of Richard Coeur-de-Lion and John—

has all the ingredients for a successful novel. What more could any author need than troubadours' courts of love and royal mistresses, spiced with homosexuality plus a hint of incest, against a canvas of the Crusades and the struggle between Church and State?

When two books appear simultaneously on the same subject, there is a temptation to back-check one against the other. Both Marion Meade's and Desmond Seward's Eleanor emerge as similar characters—the original liberated woman, passionate, perverse, intelligent, with a formidable personality and gargantuan energy. And each considers the special relationship she had with her uncle Raymond

of Antioch, was anything but platonic.

While both volumes should have an assured readership because of the enormous amount of interest generated by the recent television series on the Plantagenets, American Ms Meade's book probably has the edge over her rival's. Hers is a glossier production, allowing greater scope for bibliography and source notes which makes for a broader portrayal.

Mr. Seward's style is perhaps more concise, although it lacks the lustre of his previous historical tours-de-force. The Bourbons of France and Prince of the Renaissance, Curiously, neither are listed in the current work.

World ago

BY DAVID PRYCE-JONES

A European Past: Memoirs by Prince Clary. Weidenfeld and Nicholson, £8.95, 248 pages.

Prince Clary was a wonderful link with the past. He had known a man, a Pole, who had recited a poem in front of Napoleon. His grandfather had entertained Goethe in the Clary castle at Teplitz, the spa in southern Czechoslovakia. An aunt of his had been adopted by Madame Hansa, widow of Balzac.

Born in 1887, he himself had been an Imperial Chamberlain to the Emperor Franz Josef. His looks were commandingly aristocratic. He had never forgotten a thing about the doings of people like himself, but when he came to anecdotes he was wholly free of malice. Nothing is out of place in this book, its charm unblemished. In his intelligence there was something narrow, to be sure. Nor was he fond of Czechs unless they were of the calibre of Thomas Masaryk, though he was much too well-bred to say so. Humour, joie de vivre, were more to the point. He was the 19th century. He was the Austro-Hungarian empire. It is sad that this October he died, though I suppose the reviews of his book

must anyhow have had a nostalgic obituary mood about them.

As a child he travelled because his father was ambassador at the Austrian Embassy in London in 1898, and afterwards as secretary to the Court of Saxony. Among his early memories were the funeral of Field-Marshal von Moltke, glimpses of the Empress Elisabeth and of the Empress Eugénie, and Queen Victoria's Diamond Jubilee. His relations with famous names like Rudyard Kipling and Chotek and Potocki, crossing into Russia to stay with a cousin was alarming even in Czarist times. At a railway station he was killed by a soldier for trying to see who might be travelling in a special white carriage coupled to the train.

Sophie Chotek had married the Archduke Franz Ferdinand, and was to be assassinated with him at Sarajevo. The young Clary used to be invited to stay with them at Konopiste, in Slovakia, and he held the view that the Archduke might have been the man to save the dog for the Habsburgs. As for the 1914 war, he knew that "Armageddon lay ahead." Loyalty, as an Ulster officer, he fought throughout in Russia or the Ukraine.

The World Prince Clary knew then fell to pieces. At Teplitz, on his estate, he had a brief respite, though doomed after 1933 when he found himself willy-nilly a Sudeten-Deutsch. German Czech feelings were so venomous beyond repair. In 1935, Prince Clary and his family (two sons had been killed with the German army) fled westwards before the Russians, with luck at their side. They were fortunate in having a family palace in the mountains of the Tyrol, where three hundred years earlier, the first Clarys had originated. And there the door-man, who had not seen them for a long while, was nonetheless waiting to welcome them.

Bernard Berenson, also a believer in certain sorts of civilised values, became a friend who appreciated them and was appreciated in turn. There were, after all, kindred chemists and survivors. As Prince Clary wrote gratefully of his home in Venice, in the book's closing words, "Sometimes the water rises alarmingly and covers the pavement below the windows. But we all know it will go down again." No complaining, certainly no animus, for having been forced out of his time and place into the shipwreck of the 20th century.

Trujillo's inferno

BY HUGH O'SHAUGHNESSY

Trujillo: The Death of the Goat by Bernard Diederich. The Bodley Head, £5.95, 266 pages.

Brazil: A Political Analysis by Peter Flynn. Ernest Benn, £15.50, 592 pages.

I suppose the same feeling must come over policemen and lawyers and priests about their trades but sometimes I think that the job of a journalist, especially a journalist writing about Latin America, has much in common with that of a sewer-man. While much of one's life is spent above ground there are moments when one has the impression of walking through the vilest quintessences of corruption.

In writing this book from the assassination in 1961 of the dictator of the Dominican Republic, Bernie Diederich must have had such an impression. Rafael Leonidas Trujillo was a man of overbearing vanity, cruelty and vulgarity who battered on his country and countrymen for nearly four decades. Having installed himself in power he terrorised his opponents. He had the name of the beautiful old Dominican capital Santo Domingo changed to Ciudad Trujillo and had himself proclaimed "the Benefactor."

At home and abroad he strutted round in uniforms each more gorgeous than the last. On his 25th anniversary in power he decreed the celebration of "the Year of the Benefactor," graciously receiving the Great Collar of the Fatherland worked with a jewel for each year of his tyranny.

His daughter, Mary of the Angels of the Heart of Jesus was declared Queen Angelita I at the inauguration of the Free World Fair of Peace and Fraternity which that year absorbed one-third of the Republic's annual budget. Mr. Diederich describes the last moments of Jesus Galindez, the Spanish

academic who was brave enough to stand against the Benefactor. Having been kidnapped on the New York subway station, Calindes was taken to Ciudad Trujillo. "He was stripped and handcuffed and then a rope was tied to his feet and led through an overhead pulley" back by which Galindes was lowered into a

meal. "They told him what—or rather whom—he had eaten. Terrified the man did not believe it, so they brought him his son's head on a plate. He died of a heart attack on the spot."

Mr. Diederich tells the story of the assassination of Trujillo by a group of conspirators who enjoyed the vacillating and half-hearted help of the U.S. Government. As a reporter for the time magazine he has mastered the gift for keeping the story running rapidly and vividly, while at the same time keeping a tight hold on the threads of the tangled plot. There were to be any criticism of his treatment of the story. It would be that the author could give more of the social and economic background to the Trujillo nightmare. The saddest thing about this book for me is that it is a reminder that there are at least five countries left in Latin America where a similar sort of regime continues to this day.

It is something of a relief, though not a total relief, to turn to a book about Brazil which without a doubt, becomes the standard work in English on that country's recent political history. Dr. Flynn's book has done so well in Brazil that Dr. Flynn, *The Spanish Civil War*, and for Spain. He has produced a balanced and sober assessment of the events before, during and after the military coup d'état of 1964 disregarding the masses of following propaganda issued from one side and the other. The military and the civilians, those who want a regime of repression and Brazil today will not find a better guide than Dr. Flynn.

Trujillo tyrant assassinated in 1961. Galindez's body was fed to the sharks. The only comment one can think of for that incident was that the way of Galindez's death was probably more merciful than if he had been lowered feet first into the vat of boiling water. Some time later Galindez's body was fed to the sharks. The only comment one can think of for that incident was that the way of Galindez's death was probably more merciful than if he had been lowered feet first into the vat.

Trujillo perverted the group around him so effectively that after his death his supporters were able to feed a prisoner suspected of anti-Trujillo activities with the flesh of his own son. After he had eaten a heavy

Next week—My Book of 1978. Reviewers choose the books they have enjoyed most published this year.

HOW TO SPEND IT

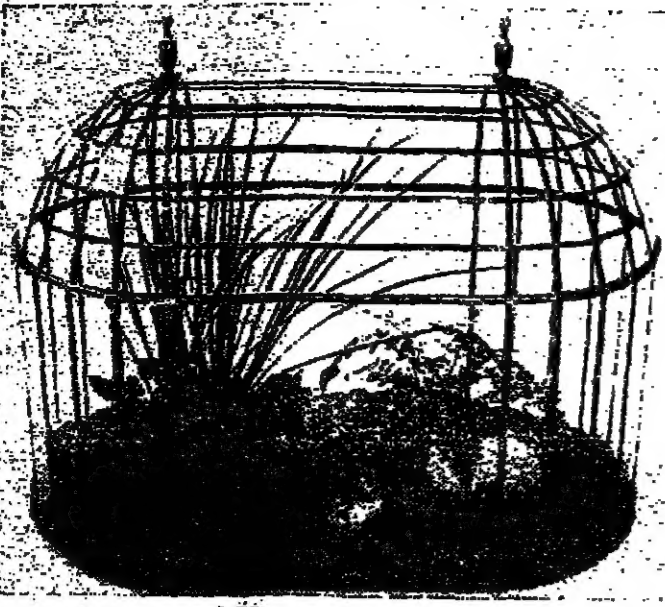
Last-minute thoughts

IF YOU'VE left your Christmas shopping this late you are in real trouble. Even though this Saturday isn't Christmas Eve several shops do not plan to open today. In London, for instance, Burberry's, Debenhams, D. H. Evans, Debenhams and Jones, John Lewis, Liberty's, Sanderson, Selfridges and Simpson of Piccadilly are all shut today. On the other hand the Army and Navy, Bakers, Bourns and Hollingsworth, the Children's Book Centre, Hamleys (Wigmore Street, till 1 pm), Harrods, Harvey Nichols, Marks and Spencer, Peter Jones (till 3 pm), The Scotch House (Knightsbridge), and Swan and Edgar (till 2 pm) will be open.

We doubt readers out of London will find such lists in their local newspapers—that is if they're still available. Meanwhile in the London area it is always worth remembering that Gatwick and Heathrow airports are always open from 8.30 am to 11 pm (including Sundays and Christmas Eve itself) and though you won't be able to find anything particularly original or unusual there are bookstalls, giftshops, selling scarves, cosmetics, glassware, perfume and so on. Make up for the lack of originality by buying the very best quality and, if it's perfume, the largest size you can afford.

If you're determined, nonetheless, at this late hour to search for something more original, the London Tourist Board tells me that all the Sunday markets will be operating tomorrow as usual—Camden Lock, Petticoat Lane, Brentford, Earl's Court.

I had markets a marvellous source of presents, particularly for the singularly difficult ageing teenager. I had in mind to give my own teenage son a rather chic sort of jacket to wear with his cord trousers. However, I gathered in the nick of time that nobody, but nobody, wears that kind of thing any more—secondhand men's shirts with no collars, loose waistcoats from old suits and a crumpled suit jacket that I say they must not match or have come originally from the same suit are, apparently, what



Shown here is a photograph of what might be called a miniature glass-house. Made by the "Tiffany" method, these miniature cases allow light through to the plants but keep

the moisture in so that ferns and mosses flourish almost indefinitely. They are quite expensive; the one photographed measures about 25 ins by 10 ins by 16 ins high and costs £47.50 from the Lock Shop.

16-year-olds wish to be seen out and about in.

Portobello Road has a splendid collection of such shirts, at very low prices, but I couldn't quite bring myself to buy from the selection of waistcoats and jackets. Shirts in all colours and sizes start as low as £3.00.

Camden Lock Market will be



Shown sketched here is one of a selection of pottery cottages and farmhouses that start at about £3.75 and go up to about £18.00. From the Lock Shop.

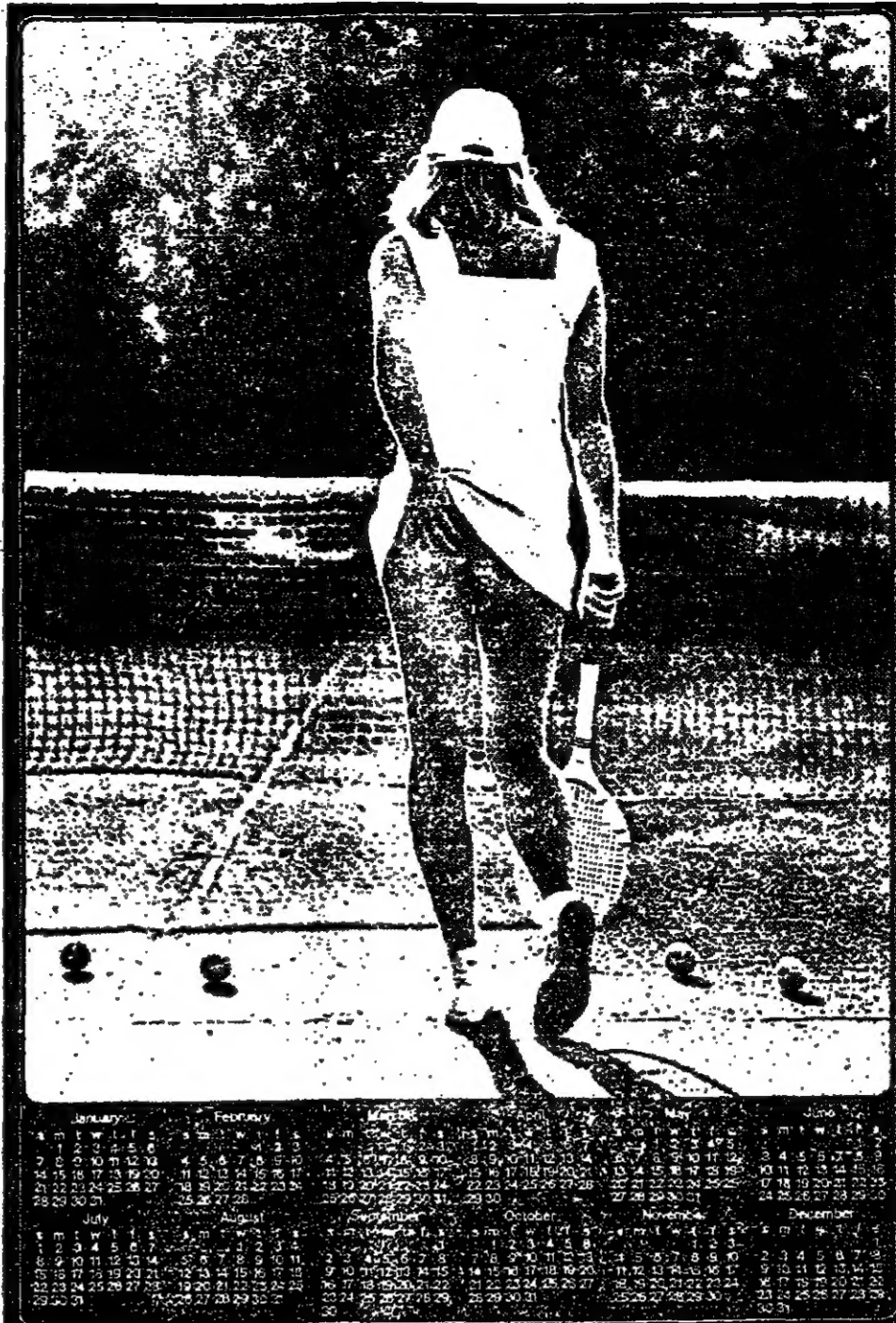
open all day today and tomorrow.

In the market you will be able to find a range of silver, leatherware, antiques, records, musical instruments, cushions, prints, clothes—in fact, the whole gamut of things old and new in which these sorts of market specialise.

The Lock Shop is one of the nicest of the shops in Camden Lock and will be open until at least 2 pm. They have some marvellous animal teapots (from about £16.00, each one original and different), some nice knitted wool dresses, hand-made glass miniature sent bottles (from £4.00), stained glass mobiles (about £17.50), silk shirts and scarves and pottery of all kinds.

If you go to Camden Lock make your way to Andy Bye's stall in the covered part of the market. He is a silversmith who makes very unusual and original jewellery, at very good prices. Rings are from £4 to £16—the more expensive rings will be totally original and will include a semi-precious stone.

Keep up to date



Athena International's Calendar Girl

WE ALL need calendars or diaries if we're not to make a complete hash of our lives but ever since the demise of the great cult calendar, the Pirelli, it's been hard finding one that carries quite the same cache. In fact on the whole this year's crop is very disappointing—endless calendars featuring quite sweet flowers or tourist board pictures of Ye Olde England seem to dominate the scene. It seems a shame, for the great thing about a calendar or a diary is that it is consulted

every day of the year so it really is worth having something you want to keep looking at.

By far the nearest in spirit to the Pirelli calendar is the one of the tennis player whose gear would obviously cause more of a sensation than Gorgeous Gussie's ever did. Athena International, which sells the calendar, call it the Calendar Girl 1979 and it costs £1.25 from Athena Galleries, or Athena stockists. There are 3,500 round the country, but if you have

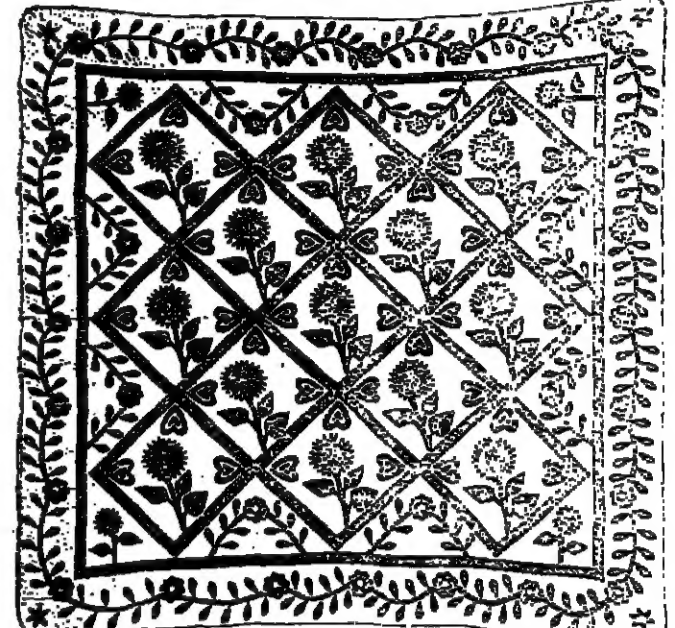
trouble, ring 0379 56627 for one in your area.

A charming, but less striking calendar, is the one featuring the Cries of London and produced by the Museum of London. The itinerant street traders and the cries they used to advertise their wares are featured in 12 charming poster-like cards.

Six of the prints are in black and white and six are in colour. They are all charmingly drawn and would make an attractive



One of the illustrations from the Museum of London's calendar



One picture from the quilt engagement diary

calendar with a practical use; after each month has passed you can tear off each 18 by 12 cm picture and use it as a postcard. The calendar retails at £1.50 and is available from the Museum of London, London Wall, London, EC2Y 5HN (by post 25p).

Browns Living of 26 South Molton Street, London, W1, has an exclusive collection of calendars from New York—the Tiffany Calendar features photographs of some of Tiffany's best work and then there is a

charming diary, each page of which is illustrated with a full-colour reproduction of a traditional American quilt (the quilt illustrated here is from the diary and is a pieced and applique quilt based on a sunflowers and hearts theme, dating from about 1865 and coming from New England).

It is called The Quilt Engagement Calendar and costs £6.00 from Browns Living. The shop is open until 5 pm today, but the calendar can be bought by post for 50p extra.

Wrap it up

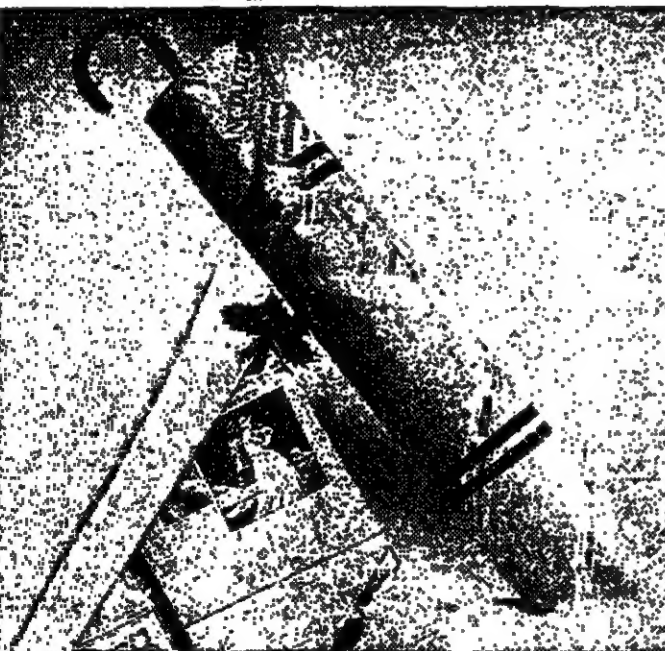
I DON'T know about you but in our household the Christmas paper always runs out before the presents and there is usually an unseemly rush over who's going to manage to collar the last few sheets. Well, if you should run out, all is not lost—there are plenty of imaginative ways of wrapping up presents that can be done with ordinary household equipment.

One of the simplest but one of the easiest ways of wrapping up small presents is to use ordinary paper bags, the small white or brown kind that are used by most grocers. Children who like using things like potato or rubber cuts can make cut-outs of the initials of the person for whom the present is intended and then print them on the bag (the child must remember to cut the initials out back to front and should then use poster paints thinned with a little water to stamp the initials).

Cut-outs from magazines, or from kitchen tin foil can be stuck onto the bag. A collage can be made on the bag using coloured paper or pictures cut out from magazines and then stuck on. Designs can be drawn using paints and crayons or, finally, you could use glue and stick Christmas glitter all over the bag. If you then use some more ribbon to tie it up, you have a simple but attractive wrapping.

Sellotape produces a splendid range of sticky tapes of all sorts which can be used to decorate very ordinary boxes, like old shoe boxes or cardboard boxes that one happens to have around. You can use differently coloured tapes to produce two-tone effects. Our photograph shows how even today's newspaper could be used to make a splendid package for an umbrella. You should first make a cylinder for the umbrella, using corrugated paper measuring about 19 ins by 30 ins which you then stick together with Clear Tape.

A base for the cylinder, diameter 5 1/2 ins can be cut from any strong paper. You should make another for the top but should leave a hole through which the umbrella handle will go. Cover the whole cylinder with newspaper, sticking it with Clear Tape. Cover the two circles leaving the hole clear. Fix the base on to the cylinder



You can do more with newspapers than just read them



Brown or white paper bags can be turned into glamorous packaging

with Clear Tape. Put the umbrella into the package, putting the handle through the hole and fixing the top on to the cylinder with more tape. Then decorate the whole parcel as you like using the coloured Brilliant Tape.

No doubt most women don't themselves have time to make such elaborate packages but it seems like good occupational

therapy for keeping the children quiet while you get on with the rest of the Christmas preparations.

If you haven't the time to be very imaginative or have some awkward-shaped presents to be wrapped most branches of W. H. Smith are selling sets of three different-sized brightly-patterned boxes. 55p for the set photographed below.

CHRISTMAS - TIME - always brings forth a spate of glossy cookery books and anybody still left with presents to buy should be able to find a good selection in a local bookshop.

Of this year's crop of new cookery books, I suppose the one that appeals most of all to me is Jane Grigson's Vegetable Book (published by Michael Joseph, £10). I meet more and more people who say to me that somehow, without any conscious thought processes taking place, they are turning against eating meat in the sort of quantities that most of us used to until a few years ago. They have a natural feeling for eating more vegetables, more grains and either fish or eggs.

This kind of diet is only interesting if the vegetables are treated with the respect and skill that they deserve. Watery cabbage with a small solitary blob of butter in the middle, over-cooked carrots and all the other vegetable horrors that we have all endured at some time or another are not conducive to

pleasurable meals.

Jane Grigson shows us just how imaginatively vegetables can be treated, and makes one long to experiment more with the everyday vegetables like cabbage, (there are 21 recipes for that alone), onions, carrots, and their ilk.

The book is not meant for vegetarians; many of the recipes incorporate meat in them (as in stuffed cabbage, for instance) but it should be a great inspiration to anyone who feels that his or her vegetable cooking has fallen into a rut.

Traditionally Brussels sprouts accompany the Christmas turkey and Jane Grigson offers at least nine different ways of cooking them—for instance, instead of the perforce chestnuts, you could try one of her other recipes, like Brussels Sprouts with almonds or with buttered crumbs or (now all the rage on the Continent) a puree of Brussels sprouts.

Lady Maclean's Book of Sauces and Surprises (published by Collins, £6.95) is full of ideas

Cooking the books

for transforming a plain piece of grilled meat or fish into something elegant and interesting. Some of the sauces will obviously be familiar to most people, but I defy anybody to have met or cooked them all. As most of us are likely to have some cold turkey lying around in a few days' time, readers might like to have her recipe for a slightly curried sauce which turns cold turkey into a dish fit for parties.

The sauce is also called Jubilee Mayonnaise because it was first served in 1935 at a banquet for HM King George V and Queen Mary's Jubilee.

Ingredients: 1 oz oil; 2 oz onion, finely chopped; 1 tablespoon curry powder; 1 tablespoon tomato purée; 4 tablespoons red wine; 3 tablespoons water; 1 bay leaf; 1 teaspoon sugar; salt and pepper; 2 slices lemon; squeeze

of lemon juice; 1 pint of mayonnaise; 2 tablespoons apricot purée; 3 tablespoons double cream, lightly whipped.

Method: Heat the oil, add the onion and cook gently for 3-4 minutes. Add the curry powder and cook for a further 2 minutes. Add the tomato purée, wine, water and bay leaf. Bring to the boil and add sugar, salt, pepper to taste and lemon slices and juice. Simmer, uncovered, for 5 to 10 minutes. Fish out the lemon and bay leaf and leave to cool. Add the mixture to the mayonnaise by degrees, with the apricot purée. Check the flavour and sweeten or season to taste. Stir in the cream and serve well chilled. (Needless to say this sauce goes beautifully with cold chicken as well.)

Paul Bocuse is, of course, one of the high priests of the so-called "nouvelle cuisine." He has brought out a huge tome this Christmas (called simply Paul Bocuse, the New Cuisine, £15.00, published by Hart-Davis, MacGibbon.)

Although it is meant to present the "full range of classical French cooking interpreted in the style of the nouvelle cuisine française" it looks quite daunting to me. Several of the ingredients are the sort one would only come upon very occasionally (sperch and pike, cray fish, chervil) but if anybody had time and the inclination to learn how to cook very thoroughly in the old classic traditions they could certainly do it with this book. All instructions are given in precise detail which is marvellous for those who want to learn to do things properly.

Finally, the Sportsman's Cookbook (£7.95, Hutchinson) which is, I suppose, intended for all those lucky people who shoot so many pheasants that they have the opportunity to get bored with just roasting them, and want some more original ideas. It doesn't, of course, just deal with pheasant but with all the fish and game that could be bagged in the water or on the land.

Soft soap

IF YOU do find yourself needing an emergency present the cosmetic counters of good stores (such as are open in your area between now and the big day) and the local chemist can usually come up with something. Soap, for instance, is a daily necessity and doesn't usually come into the gift category; however, many people seem to feel its rather extravagant to use really good soap for every day and love to be given some that is special.

Aramis has had a great success with its Christmas soap collection and I can quite see why. Not only is the soap very nice to use and to smell but it comes



In such enchanting disguises. In fact the little animal shapes are so beguiling that I'm not at all

Handles well

Teenage girls are usually the easiest of all to find presents for, but if you're looking for a last-minute present for a teenager, Salisbury's main shops stock this very nice quilted khaki-green bag which is spacious enough to hold a multitude of necessities (it is about 12 ins high by 14 ins) and looks much more expensive than the £12.99 it costs. Salisbury shops are open all day today and most of the main branches stock this bag.



sure I could bring myself to whistle them away in daily use if they were mine. As you can see from the picture there are several different animals of which I think the teddy bear (£2.50) and the ducks (Mr. and Mrs. are sold together and cost £5 the pair) are by a long way the most charming.

There are also pigs and hippos. For a really luxurious present you could buy three pairs of animal soaps and sponge for £16. Most good chemists and department stores stock them.

If the man in your life is a keen sportsman, you will know how easily and often he complains of aching muscles. The most luxurious way to soothe them is by using the Aramis Muscle Soothing Soap—a huge stonejar holding a kilo of the stuff is £17.50.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

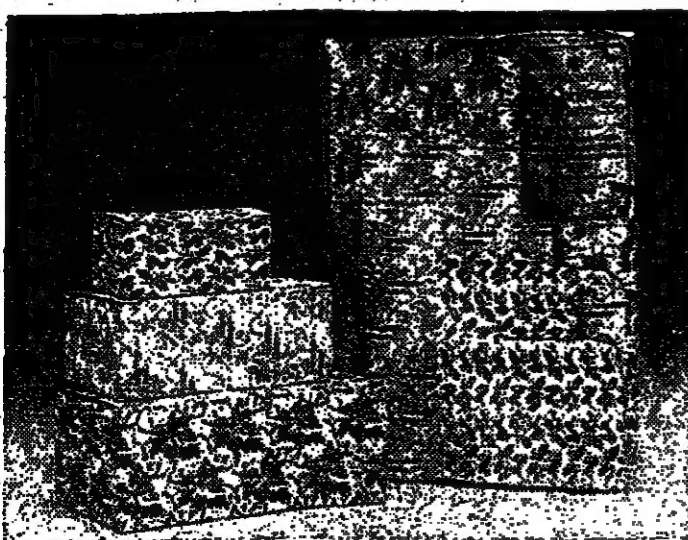
For advertising details please ring

Stephen Cooper

01-248 8000 Extn. 7003

STATUS MARKS

A hundred years ago the best people ate their food with silver. Their table silver (over a hundred years old) brought back to us in condition by craftsmen silvermiths can be yours to set with at much less cost than new. It will give you beauty, status and a lasting investment. Collected matching services are available for your inspection. Send for a list or phone Kettering 81782 (daytime) or 81783 (evening). W. D. EVANS, Old Bakhouse, Bedford, Kettering, Northants.



Cardboard boxes make wrapping very easy



Yvonne Kenny and José Carreras

Un ballo in maschera

The four-year-old production of Verdi's *Un ballo in maschera*, directed by Otto Schenk and designed by Jürgen Rose, was revived at Covent Garden on Thursday night with a largely new cast of principals, two of whom were not the singers originally announced for their particular roles. Whether or not these replacements are the cause, one result is the lack of a consistent overall style rather far from Mr. Schenk's soberly uniform staging as it originally was. Gustavo—the Swedish setting is used—and Oscar choose a form of heightened realism: Renato and Ulrica—no attempt is made to change their names—opt for plain stand-and-deliver; while Amella is inclined to silent-film histrionics.

Luckily there is a co-ordinator in the orchestra pit in the person of Charles Mackerras, whose happy gift for joining phrase to phrase, scene to scene and act to act has rarely been employed to better purpose. Again and again his shaping of Verdi's glorious melodic line soothes—and stimulates—nerves a trifle bewildered by the stylistic

variety on stage. In the final scene of the King's assassination at the masked ball, it becomes clear that each musical strand, as well as each filament of plot, has been woven into an immensely strong and satisfying whole. Mr. Mackerras obtains rhythmic precision and suppleness of phrasing in equal measure from the orchestra.

OPERA

ELIZABETH FORBES

As Gustav III, José Carreras sings with a disarming sincerity that compensates almost entirely for the lack of any very individual characterisation—of the role. In lustrous voice, he moulds and articulates his music so beautifully that it seems churlish to demand a more positive or passionate response to the King's predicament. His natural manner throws into relief the artificiality of the Amella plot together by Sylvia Saxe, who has not yet learnt to

hide her well-intentioned efforts under a cloak of spontaneity. At present she disrupts the vocal line with very soft or very loud singing, while her excessive arm-waving is not only distracting, but often hides her face and sometimes actually muffs her voice, as at the end of "Morro ma prima in grazia".

In contrast, Yvonne Kenny makes a delightfully unaffected Oscar; her voice is both larger and softer-grained than the usual soubrette-type soprano heard in the role, but its agility and clarity are exemplary, while "Saper vorreste" gains in expressiveness from the unusual warmth of tone. Patricia Payne copes with the wide range of Ulrica's music, but so far she has a rather restricted palette of colours with which to shade her singing. As Ribbing and Horn, Gwynne Howell and Forbes Robinson are content to remain figures of melodrama; their vocal contributions to the ensembles, however, especially to "E scherzo od è follia", are impressively solid. The chorus, too, is in fine collective voice.

Wenceslas and Grimaldi

Even programme planners become affected by the Christmas spirit. They like to put out plays and features with seasonal associations. Trouble is there are not many plays depicting a nice quarrelsome British family coming together at Christmas time. When you have done *The Holly and the Ivy*, by Wynward Browne, and that has been broadcast several times already, you have more or less exhausted the list. An extra helping of plum pudding, then, to James Forsyth for taking a fresh look at our old friend Good King Wenceslas and discovering that the tradition of family friction is at least as old as the 10th century.

Forsyth's play, *When the Snow Lay Round About* (Radio 4 UK, December 16) was set in 10th-century Bohemia. Wenceslas rules. OK? Well, not completely OK, because he has to cope with broads into his small mountainous kingdom from that expansionist monarch, King Henry I of Saxony, leading the imperial army of the Franco-German Empire. Henry offers him protection (and we all know what that means) and at the same time the poor fellow has to keep an eye on his interfering old mother, Drahomira, and his reactionary brother, Prince Boleslav. Forsyth had done his

mouth shut. The "blood that dripped in the snow prepared the ground for the fratricide to follow." David Buck was smooth as silk as Wenceslas going unflinchingly to his doom. David Spenser directed deftly.

One piece of seasonal good luck the programme-planners have had is the 200th anniversary of the birth of Joseph Grimaldi that fell this week and was marked by a tribute on Radio 4, written and compiled by Gerald Frow, with Roy Hudd to impersonate the great clown. Hello! Hello! Hello! Here We Are Again!! (Radio 4 UK December 17) resuscitated some of Joey Grimaldi's most celebrated songs and routines performed by Marion Gurnell, Timothy Bateson and William Roberts interspersed with snippets of well-researched biographical information to cue in the numbers.

It is a technique perfected on Radio 2 and it worked well enough on 4. Mr. Frow conveyed to us how young Joey learnt to be a clown the hard way getting beaten for real by his melancholic Italian father before the fabled beatings on stage. And we learned of the futher beatings of the clown in store for him in the form of the death of his wife, the death of his son, and his own early retirement through crippling illness.

The programme also touched seasonally on the immense impact Grimaldi had upon the pantomime tradition (for a fuller account of this see a most interesting article in this week's *The Listener*—"Who says pantomime is dead?" by Jack Waterman, not apparently broadcast). Pantomimes in the 19th century usually contained a Harlequin episode involving the stock characters of the commedia dell'arte in their traditional routines: it was Grimaldi who elevated the figure of the clown to being the star turn of this inset. Both Mr. Frow and Mr. Waterman pointed out that this tradition survived until the 1830s and is now extinct. One place where it still survives is in Pollock's Toy Theatre where the whole Harlequin show including rhyming script may be recreated in its pristine charm in cut-out form.

Later in the week on Radio 4 on Wednesday night Mr. Frow did for the Gaiety Theatre what he had done earlier for Grimaldi. It is not quite so easy to revive interest in a theatrical building however much of an institution it became as in a single performer. The history of the Gaiety in its various phases, the beginnings under Hollingshead, the great days under Edwards, the said decline under Lupino Lane, reveals a fascinating transition of style from burlesque, to musical comedy, to revue. Mr. Frow did his best to pack it all in, Edward Woodward narrated, and the music was enjoyable.

RADIO

ANTHONY CURTIS

homework and found as promising a situation of intrigue and power-politics buried deep in all that snow as any playwright could wish for. He also went back to the carol, and found there a boy-hero through whose experience at court he was able to give it life. "Fitter phrase, and stand by me," he echoed.

One of the advantages of working in radio for a playwright is that he can make the entire play depend upon a boy's role without presenting the slightest problem to the producer. There are a number of radio actresses who specialise in boy's voices and one of them clearly is Rosalind Adams who played Same here, the young nephew of the royal forester whom fate transplants from his uncle's humble cottage to the palace where he enters the service of the king. Ms. Adams sounded most convincing as a callow youth whose loyalties were stretched intolerably as the various factions got to work on him. At one point she not only had to sound like a boy but a boy anxious to please with a lisp. This after the horrible Boleslav (Philip Sully) had nicked his tongue with a dagger to encourage him to keep his



Jane Asher and Nigel Patrick

Peter Pan

Peter Pan is probably one of Barrie's most personal and profound plays: how it has come to be considered in the same breath as pantomime is hard to imagine. Now that the playwright's obsession with family life, and his role as "surrogate father" to the Davies boys, is better known through the recent television series his reverence for motherhood which pervades *Peter Pan* is so much more appealing.

There is a drama in *Peter Pan* which has much more to do with human emotions than fights with pirates and this production plays on the pabos of the relationship between Peter and Wendy—he seeking a mother figure, she a lover. Jane Asher acts the role, which is fine, and although there is a lot

of skipping and childish enthusiasm, the spine-chilling lines like "to die much be an awfully big adventure" are given their full weight. Also the very odd ending, where Peter, still pursuing his fantasies, seems to forget the whole Wendy saga also comes over strongly.

This is all to the good because on the Thursday matinee the production still looked a bit ragged. *Peter Pan* is a very long play and to maintain the tempo, much starker scene changes are needed. Too many actors including Nigel Patrick as Mr. Darling/Captain Hook, all seemed to be easing into their roles, and too many of the words from the last boys were missed in the spaces of the Shaftesbury. In recent years

Roo Moody turned Captain Hook into a bravura personal performance which was not Barrie but which seemed to work. This straighter version from Nigel Patrick was dull in comparison although the hisses were there.

Peter Pan is an old-fashioned treat with lots of actors, lots of sets (beginning to look slightly ragged) lots of incident. It must have been wonderful to escape into its Edwardian certainties in 1904; it can still work, given a little more bite from the cast. Sheila Mathews was suitably beautiful as Mrs. Darling, the only real mother around, and Andrea Kealy was an effective Wendy.

ANTHONY THORNCROFT

The Pirates of Penzance

Whether *Evita* or *A Chorus Line* will be playing in 99 years from now is, to say the least, a matter of conjecture. But *The Pirates of Penzance*, which Gilbert and Sullivan went to launch in New York in 1879, still has the comic and musical attributes of a winning show. It even stands up against the distressing musical direction currently imposed by the D'Oyly Carte Opera Company.

The overture as conducted by Royston Nash on Thursday was coarsely played, with no discernible balance between sections of the orchestra. The operetta itself ran into similar handicaps, voices and orchestra re-

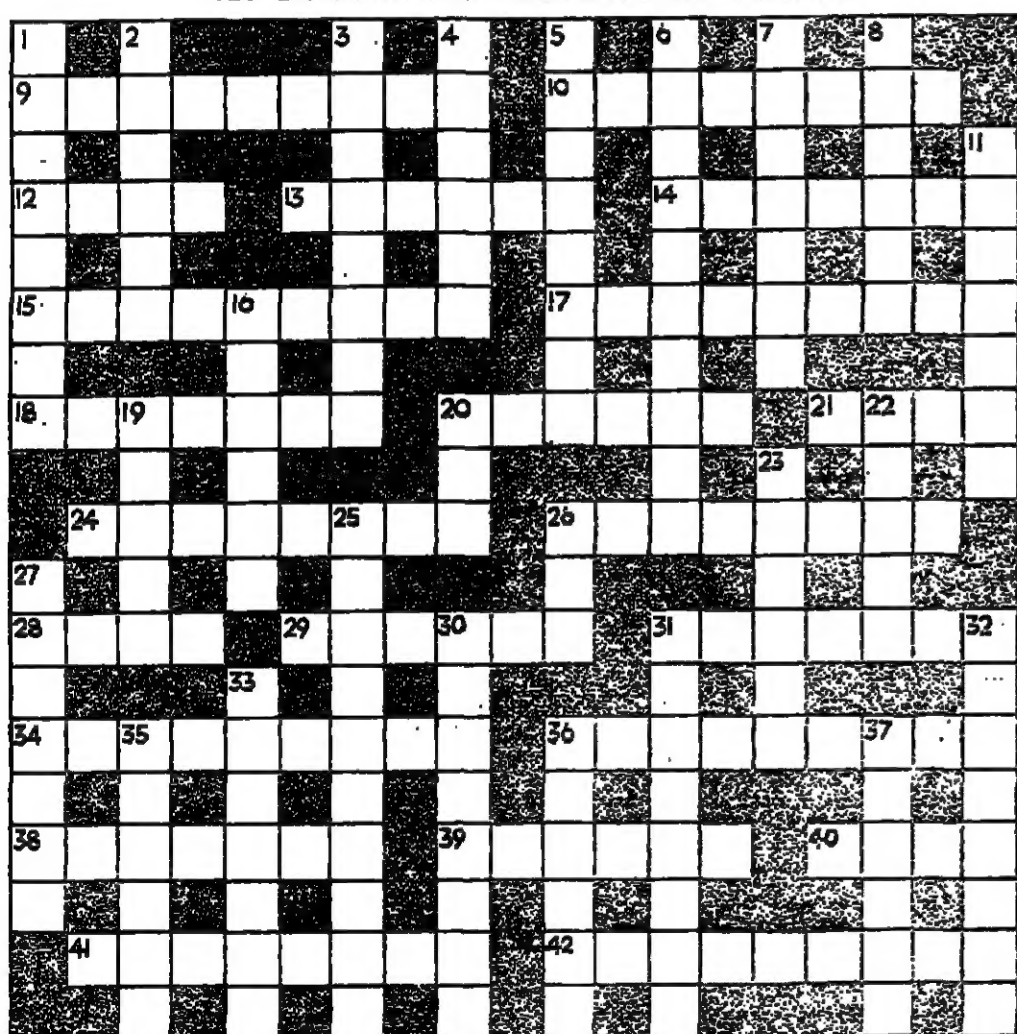
peatedly getting out of step. This defect in direction is the more regrettable because the vocal standard of the company (which is in occupation of Sadler's Wells Theatre until late February) actually shows some signs of invigoration.

Merton Reid's tenor distinguishes the role of Frederic and Jon Ellison as Samuel (the pirate lieutenant) makes a major character out of a minor part. As the middle-aged Ruth, Patricia Leonard's fresh voice rings out clearly, while Michael Rayner as the sergeant of police displays a sturdy bass as well as a lively relish for the traditional routines.

"Traditional": yes, of course. But this approach can work only because the composer's gift is so strong, with an extra appeal to those who spot the musical allusions and parodies. The scene where both pirates and police are supposedly concealed, but totally visible and audible, is a hit at *Il Trovatore*—while simultaneously, the major general's song about a river reproduces Schubert's pattern of accompaniment in "Auf dem Wasser zu singen". Who but Sullivan could or would have done it?

ARTHUR JACOBS

F.T. CHRISTMAS CROSSWORD PUZZLE



A prize of £10 will be given to each of the senders of the first five correct solutions. Solutions must be received by Wednesday, January 3, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given on Saturday January 6.

Name
Address

ACROSS

- 9 Stalled circumstances—the dickens they are! (4, 5)
- 10 and 12 Roundabout sayings can be eunting (8, 4)
- 13 One way town in the West Country (6)
- 14 Party summons (favourite for the dog track) (7)
- 15 Splendour from the Orient in a London suburb. Hasten and see perhaps (4, 5)
- 17 Coloured cleaner nines aboard (3, 6)
- 18 Outbursts by southern friends (7)
- 20 The fruit that makes one sob about a female (6)
- 21 Simply a lake (4)
- 24 Silver set on gold of a novel character (4, 4)
- 26 William Willett was all for saving it (8)
- 28 Gunner rests in on the Algerian part (4)
- 29 Yarn from a London thoroughfare (6)
- 31 Subtlety at the bridge table (7)
- 34 Widespread reformation makes Val repent (9)
- 36 Margin of victory for the brachycephalic (5, 4)
- 38 One of Caesar's assassins joins the artist for a draught (7)
- 39 Instant French wit about men (6)
- 40 Excitement in prison (4)
- 41 Cheated party gets Ned to admit (4, 4)
- 42 Is in store—uncasy if it wears a crown (4, 5)

DOWN

- 1 Restrains speed in the Civil Service (8)
- 2 Pledges include the right crustacea (6)
- 3 Suffocates one parent in the ship (8)
- 4 Backwards like a bird (6)
- 5 Untaxed force set in confusion (4, 4)
- 6 Sovereign race found in China (5, 5)
- 7 The object d'art gets us inquisitive (7)
- 8 Find fault with the Irishman following the automobile (4, 2)
- 11 "Can — urn or animat'd bust" (Gray) (7)
- 16 Fair amusements which allow you to recoup your losses on others (6)
- 19 A brush that makes an idiot set up (5)
- 20 and 26 Frank counsels pre-sent ability and past performance (6)
- 22 So the character of a nation is revealed (5)
- 23 Bird has permit to include hotel (6)
- 25 How the temperate get around (2, 3, 5)
- 26 See 30
- 27 An agreement that is "in the bag" (7)
- 30 Shakespeare's Athenian seen in any chemical element (8)
- 31 Original builder about after sent to stumble helplessly (8)
- 32 Old age or trouble becomes the land of wealth (8)
- 33 Copes with a chap who is getting on (7)
- 35 We become the object in college terminus (6)
- 36 An easy remedy (6)
- 37 Admission to the course (6)

SOLUTION AND WINNERS OF PUZZLE No. 3,850

Following are the winners of last Saturday's prize puzzle:
Mrs. E. Edmond, 91, The Causeway, Putney, E. 14, Herts.
Mr. J. R. Lane, "Abbotsknowe," Huntly Road, Middlesbrough, TD6 9SB.
Mr. P. A. Tyler, Wildwood, The Hyde, Winchcombe, Glos., GL54 5QR.

CHESS SOLUTIONS

Solution to Position No. 247
1 RINTXBP! QxQ; 2 RXP ch. K-R1; 3 R-Q7 dis ch. and Black resigned. If 3... K-N1; 4 R-R4 mat. or if 3... Q-B5; 4 R-R4 ch and 5 PxQ.
Solution to Problem No. 247
The obvious answer is to put the black king at Q6 and for White to mate by 1 Q-O-O. But this would leave Black no legal last move—the king would have had to come from an illegal double check at Q5, Q5, K5 or K6.

But it is legal for the king to be at Q6 if it is Black's move in the diagram; then there is mate in one by Q-N5. The king can also be at Q5's Q-B5, and then it is White who mates in one by 1 Q-N5.
So the correct answer is: at Q6, when Black mates in one, or at Q-B5, when White mates in one.

Operas from Vienna

BY DAVID MURRAY

Richard Strauss: *Die Liebe der Danae*. Annelies Kupper, Anna Felbermayer, Laszlo Szemere, Josef Traxel, Vienna Philharmonic and Vienna State Opera Chorus/Clemens Krauss. Discocorp mono RR464 (£10.50, incl. translated text).

Richard Strauss: *Daphne*. Hilde Gueden, James King, Fritz Wunderlich, Paul Schöffner, Vera Little, Vienna Symphony and Vienna State Opera Chorus/Karl Böhm. DG 3721 190 (£7.55).

Beethoven: *Fidelio*. Gundula Janowitz, René Kollo, Hans Sotin, Manfred Jungwirth, Lucia Popp, Adolf Dallapozza, Dietrich Fischer-Dieskau, Vienna Philharmonic and Vienna State Opera Chorus/Leonard Bernstein. DG 3371 039 (£13.50).

Mozart: *Don Giovanni*. Sherrill Milnes, Anna Tomowa-Sintow, Walter Berry, Teresa Zyllis-Gara, Peter Schreier, Edith Mathis, Dale Dusing, John Macurdy, Vienna Philharmonic and Vienna State Opera Chorus/Karl Böhm. DG 2707 108 (£8.70).

Strauss's penultimate opera could not be less than interesting. *Die Liebe der Danae* was completed in 1940, the year before the "conversation piece" Capriccio; and where the latter was probably written as much for the amusement of Strauss and his collaborator Clemens Krauss as for any more ambitious end (however happy the result), *Danae* bears the self-conscious marks of a composer's Final Operatic Testament. By intention it is much grander, though it was not publicly staged until the Salzburg Festival of 1952, when this recording was made. The technical quality is surprisingly good, and (especially in the absence of any competing version) the album is invaluable.

Hugo von Hofmannsthal died in 1929, while working with Strauss on their unfinished *Arabella*, but the idea for *Danae* was his: it was from his sketch that Strauss commanded Joseph Gregor to devise the *Danae* libretto. Characteristically, Hofmannsthal conceived the action in the notion of combining two classical gold-myths: one about Danae, whom Jupiter courted in the form of a shower of gold, and the other about the unlucky Midas of the golden touch. Hofmannsthal conceived the action as sophisticated opera, close to Offenbach. Danae's father is the bankrupt King Polux, who badly needs to marry her off to King Midas, a plan calculated in the light of Danae's immortally erotic fascination with gold; but Midas owes his gift and his crown to Jupiter, in return for lending his shape comely to the god, who wants to continue his wooing of Danae. Four of Jupiter's earlier mythical loves—Semele, Alkmene, Leda and Europa—help to prepare the match, constituting an off-colour ladies' quartet. The real match is of course between Danae and her lover Midas; it was his wily ambiguous situation that attracted Hofmannsthal, and Jupiter was to remain an unseen presence (like Keiko-bad in *Die Frau ohne Schatten*). Gregor, who had just contrived the ponderous aureum-mysticism of *Daphne*, was not a librettist to sustain a light touch, and Hofmannsthal's sketch offered little for the third act, after the rejected Jupiter has putridly reduced Midas to the rank of donkey-driver. Gregor and Strauss soon agreed to involve Jupiter onstage, and

the opera was transformed. Jupiter became Strauss's Wotan—even equipped with Mercury as a colourful Loge, and overwhelming echoes of Wagner's music—a vessel into which the old composer could pour his sentiments about life, love and resignation. The compounded action now lacks any consistent tone, but a very clever producer might succeed in holding it together for the sake of the opulently lovely portions of the score. The sense of the strongest passages is borrowed variously from situations in other operas—the *Ring*, *Arabella*, *Frau ohne Schatten*—and not from the official story, as any seasoned opera-lover will perceive, and as the singers here sensibly recognise. Schöffner's Jupiter combines great authority with intermittent vagueness about pitch; Kupper soars more than adequately as Danae, twining ecstatically with Felbermayer in their *Arabella* duet, and credibly matched with Gueden as confidently lyrical Midas. Krauss's account of the score is irreproachable.

The welcome reissue of *Daphne*, the "bucolic tragedy" which immediately preceded *Danae*, may help the opera to a British production (if in English, let it be indistinct). *Daphne*, you will remember, turned into a tree to protect her virginity from Apollo; here she is a junior pantheist, with a devoted childhood chum to contrast as lyric tenor with the heroically virile Apollo. The mysterious charm of the idea survives the leaden text; the opera chiefly needs a ravishing soprano, which Hilde Gueden mostly is, and Wunderlich and King—in his best youthful ringing voice—strike just the right contrast as the mortal and immortal lovers. Rita Streich turns up charmingly as First Maiden, and Böhm—with Gueden—makes something haunting of the final transformation scene.

Though Bernstein's *Fidelio* is the only studio recording among the four reviewed here, it doesn't want drama on that account—in fact the spoken dialogue, though pruned sharply, is unusually vividly and naturally done. Whether by

design or not, Bernstein recovers the flavour of the text: high-minded melodrama, too intimately theatrical to pass for grand epic. Gundula Janowitz makes a wholly feminine, vulnerable Leonora, without the hint of sexiness that stiffens the spines of the most powerful operatic Kollo; he is determinedly fervent as Florestan, and pushes his tone too hard toward the end of his great monologue. They get first-class support, in principle, though Sotin's demonic Pizarro and Jungwirth's cannily brisk Rocco are both untidy about pitch on occasion. Fischer-Dieskau creates a definitive Don Fernando, a role which ought never to be under-cast. Bernstein indulges in nothing more than some histrionic ritarandi, and the sympathetic urgency of his reading compensates for a want of the *pudeur* that the tone and manner of the opera imply.

The Böhm-Don Giovanni derives from last year's Salzburg Festival performances, and for all I know from some of the rehearsals too—the audience is remarkably unobtrusive. The effect of live drama is striking (and might be still more so if the standard post-Prague additions to the catalogue of arias had been omitted: the second act needs all its musical strength to stay aloft with that gratuitous freight). Böhm's classical pose disguises the steady thrust of his conducting. Milnes' glamorous, pressing Giovanni is stylish, too, and Zyllis-Gara's Elvira is the first real challenger to Schwarzkopf's since the fine old Giulini recording. Mathis gives Zerlina an interesting maturity, and Tomowa-Sintow's Donna Anna is a clear success, with an "Or sai chi l'onore" that suggests less a vengeful goddess than cool moral intent.

The lifelike stereo is excellent for the famous super-imposed dances at Giovanni's party. No recorded Giovanni has ever evoked universal satisfaction, but this one is both distinguished and exciting, strong though the cast is, there is no damaging suspicion of star turns being wheeled on. It may be the most recommendable Giovanni for years to come.

Gardening over the centuries

The Victoria and Albert Museum will present a major exhibition on the theme of the last 1,000 years of British gardening throughout the summer.

There will be a historical presentation of gardening trends, great gardens, and great gardeners, ranging from the medieval garden, through great formal gardens and the cottage garden, up to the present day. Not only will the grand themes be featured; there will also be sections on garden tools, the kitchen and fruit garden, and the suburban and municipal gardens. Conservation of historic gardens will be a strong element in the show.

There will be a "terrace" in the tiled Victorian refreshment rooms, to present the theme of indoor garden and Russell Page, the garden designer is to redesign the museum's quadrangle garden.

TV RATINGS

w/e Dec. 17

U.S. TOP 10 (Nelson ratings)	5 One Day at a Time (CBS)	23.5
1 All in the Family (CBS)	6 Kitz, the Story of an Englishman (BBC)	23.5
2 Love and Shirley (ABC)	7 Kitz, the Story of an Englishman (BBC)	23.5
3 Happy Days (ABC)	8 Kitz, the Story of an Englishman (BBC)	23.5
4 Three's Company (ABC)	9 90 Minutes (news) (CBS)	23.5
5 M.A.S.H. (CBS)	10 Barnaby Rudge (BBC)	23.5

ARTS/LEISURE

Oh how the money rolls in

THE EUROPEAN Tourament, played by the world's best players, is doing an admirable job in raising its over-riding aim of raising money for the charity of the American Cancer Society. And if it continues to upgrade the operation, the aid saying, "Go West, young man, will become rich," it will be a very determined as ever was Tony Jackson, to prove themselves against the best in the world on the other side of the Atlantic. In fact, appearance money may not even have to be paid to the players. For the players to lure them over here by the middle 1980s, if Division Secretary Alan Schofield and his men can continue to boost the prize money in selected events. For it becomes more important to win, let alone retain a place in the sun on the American circuit.

In increasing the prize money available in Britain and Europe

GOLF

MEN WRIGHT

next year by nearly £300,000 to well over £1m—admittedly a drop in the ocean compared to the £3m-plus increase on the U.S. PGA tour—the ETPD has succeeded in retaining its vital touring status. The ETPD is turning down U.S. PGA tour Commissioner Deane Beman's offer of a players' card without the tiresome formality of competing at a tour school. Ballesteros has done a great service to European golf, even if his motives are hardly unselfish.

It has to be obvious that the future of the ETPD lies in multi-sponsorship, as is the case throughout the United States. Harvey Demmy showed the way with the once-somewhat over-grandly named Greater Manchester Open. Two of the three currently new tournaments in 1979 will be the £50,000 multi-sponsored English Golf Classic, to be played at the Belvoir, Sutton Coldfield, the new national HQ of the Professional Golfers' Association (June 28 to July 1), televised by ITV, and the similarly multi-sponsored Welsh Golf Classic, with a minimum of £30,000 at stake, at Wenvoe Castle, Cardiff (June 14-17).

This is an admirable idea, but may be damnable difficult to implement, and could easily lead the ETPD into expensive litigation in the civil courts. There will be no two-stroke penalty as stipulated in the

Rules of Golf for such an offence—and rightly so. In my opinion—since such arbitrary judgment could easily cost a player outright victory. But this tough penalty of two strokes will be imposed on any player seen to have practised a putt, chip or any other stroke on a hole he has just completed.

The ETPD needs, and must recruit extra field staff members if it really intends to improve the present largely unimpressive state of play in this manner. Then these gentlemen must slim the well-known worst culprits as quickly as possible. It was in this way, although their timing system is as sophisticated as the ETPD's is vague and woolly, that the U.S. PGA Tour officials were this year able to speed up the pace of play in America by an average of half-an-hour per round. But if the ETPD is even half as successful, it will be a bonus and a great service to the game in its most suspect area.

The other new event, the Air France-Concorde Team Championship, worth £50,000, and played at Valbonne Golf Club, Cannes (October 25-28), is a handsome replacement for the Sumrie-Bournemouth Better Ball Tournament.

The major British increases in prize money concern the Martini International at Wentworth (May 25-28), up from £20,000 to £42,000, the British Airways Open in Jersey (May 31-June 3), up from £20,000 to £30,000, the Greater Manchester Open (June 21-24) at Wilmslow, up from £20,000 to £30,000, the Benson and Hedges International Open at St. Mellion, Cornwall (August 9-12), up from £50,000 to £60,000, and the Dunlop Masters (October 3-6) at Woburn, up from £40,000 to £60,000.

The most significant increase on the Continent concerns the Madrid Open, up by nearly 50 per cent to £32,000. But with the exception of the £53,750 Swiss Open, the prize money level in Europe is still far too low. Too many players will again fail to break even on a sizeable "investment" in foreign travel, unless they have learned the hard way in previous years and stay at home. Certainly those with ambitions of, and a chance to win, one of the 10 out of 12 places in the Ryder Cup team, decided automatically on the points system, will have to do more than their fair share of expensive travelling.

But as the rich get richer, the poor will fare a little less badly, in that prize money will be paid to all who survive to the last day of every tournament. Instead of ending at 50th place, it will now extend to 60th and those tied for that position. Only the first and second prizes have been affected to effect this extension, the winner getting one-sixth of the total kitty instead of one-fifth, the runner-up taking away one-ninth instead of one-eighth.

COLLECTING

JANET MARSH

AN OLD playbill sums up the traditional appeal of pantomime: "These things are requested at Christmas time: Plum pudding, beef and pantomime. Folks could resist the former but without the latter none could do."

Early pantomime derived from the old Italian Commedia dell'Arte, where the principal characters, Harlequin and Columbine, never speak, and Clown and Pantaloon keep up a constant fire of jokes and repartee.

Eventually it became a hybrid, a hot-potch of fairy tales and historical figures, combining the elements of theatre, music hall, opera, ballet and the circus.

With the Principal Boy recruited from Burlesque, where actresses played boys, scantily clad, Cruickshank's *Comic Almanac* in 1846 depicted "The progress of burlesque at various theatres has done much to injure pantomimes, and it is feared that the race of clowns will become extinct unless in these days of educational enlightenment some means are taken to train up fresh ones as the old ones drop off."

George Cruickshank (1792-1878) was no doubt thinking of the great clown Joseph Grimaldi (1778-1838), who worked at the Sadler's Wells Theatre, round the corner from where Cruickshank lived. Both belonged to a select club called The Crib, which met at the Sir Hugh Myddleton public house.

Grimaldi came from a long line of travelling showmen, being carried on stage as a baby, and appearing with his father, Italian Giuseppe Grimaldi, *matro do ballet* at Drury Lane, when he was only a few years old.

A glutton for work, at the height of his fame Grimaldi would do three shows on the night—on different theatres, after running the several miles to get to each. This coupled with accidents on stage and the stress and strains of his personal life—his wife died soon after their marriage, and his son was a "ne'er-do-well"—obviously contributed to his bad health and early retirement.

Grimaldi's last performance at the Theatre Royal, Drury Lane, on June 27, 1838 (in his day pantomimes were performed in summer as well as mid-winter, usually after a heavy drama, dramatic sketch and musical melange), included his favourite song "Hot Collops"—toffee apples.

His farewell speech summed up the heartbreak of his profession. Seated in the centre of the stage (his legs were too weak to support him), he referred to "the sickness and infirmity" that had come upon him. "To-night has seen me assume the

THE APPEAL OF PANTOMIME

JANET MARSH

motley for a short time—it clung to my shins as I took it off, and the old cap and bells rang mournfully as I quitted them for ever."

Cruickshank immortalised the occasion—the engraving appearing in Dickens' *Memories*. A painting of the poignant scene is the highlight of a fascinating pantomime exhibition which also commemorates the bicentenary of the clown's birth, *Aladdin to Zulu*, an A to Z of Pantomime is at Woodlands Art Gallery, 90 Mycenae Road, Blackheath, London SE3, until January 30. A true collector's discovery, the painting was bought at Christie's for 130 guineas in 1970 as "Joey Grimaldi's Last Song," catalogued in the style of Cruickshank, and not with a direct attribution.

The differences between the painting and the drawing in the *Memories* though, are infinitesimal, bearing in mind the different mediums used, and the painting must be worth very much more now.

David Drummond has organised the exhibition, which is great fun for children and adults. The colour items are mainly from his own collection, combining programmes, playbills, posters, postcards, watercolours of costume designs and so on. The display is arranged as a Panto Alphabet, with amusing verses printed in the exhibition programme—L. Looms large for Leno, Drury Lane and Lupino, while stands for Mothers Hubbard and Goose, and P. The Principal Boys we at once applaud.

THE HOLLY BEARS THE CROWN

ARTHUR HELLER

EVERYONE LOVES holly at Christmas but I doubt whether many people are planting hollies in their gardens, which is a pity as this is the most decorative of our native evergreens and the one that has produced the greatest number of ornamental varieties. What the grand total is I do not know but W. J. Bean describes 46 without including these hybrid forms that are nowadays listed under the general name *Ilex neriifolia* to distinguish them from the pure, unadulterated British holly, *I. aquifolium*.

The variations occur in size, habit, leaf colour and form and berry size and colour. On top of this there is the little matter of sex, of some importance with hollies since most plants produce exclusively either male or female flowers. This is one of the causes of disappointment

for those who plant a single holly expecting that it will automatically produce berries and find themselves instead with a barren tree. It is not all that easy to distinguish the difference between a male and female holly because the flowers are so small and dingy that they usually go unnoticed. Even when observed it is necessary to look very closely to determine whether there are four little stamens alternating with the four greenish white petals, in which case the holly is male, or simply a central pistil, indicating that it is female. Occasionally flowers of both sexes may be produced on the same plant and then there is no problem about productivity but when the sexes are divided only the female bushes' flowers can produce berries and then only if fertilised with pollen from nearby males.

So, really the lone holly bush has scarcely any chance of fruiting and both male and female should be planted for certain success. From time to time hollies produce variations with variegated leaves and these can differ in many ways. The variation can be white, cream or yellow, confined mainly to the edge of the leaf or displayed as a blotch in the middle. Naming can be confusing. Mr. Bean writes about *Argentea Marginata* and Mr. Hillier about *Argenteo-marginata* but both are referring to the same plant, or more accurately, to two plants since there are small variations even within a single variety such as this. The *Argentea Marginata* which I grow has purple stems when young and there is sometimes a hint of pink in the leaf colouring as well as the margin of white which gives it its name. The form of *Argenteo-marginata* which Hilliers Nursery offer is described as green stemmed.

East did not double, but his decision proved to be right. After cashing the spade King, West switched to the club five, and I won with dummy's Ace. Prospects were not too bright, and when West failed to follow suit when the heart King was played, it was clear that the trumps had a lot of work to do. I continued with the heart four from the table, East played the Queen, and I won with the Ace. West appeared to have a 5-0-2-6 pattern, and if that was so, I had a chance.

I ruffed a spade in dummy, returned to my Knave of diamonds, and proceeded to run the rest of the suit. On the fourth diamond East and I threw clubs, and on the fifth we each discarded a spade. At this stage East was left with ten, nine, three of trumps, I had Knave, eight of trumps and the spade Queen. When I ruffed a club from the table, East led with his nine, I overruled with

the Knave, and led my spade which was ruffed with the seven of hearts. East overruled with the ten, but now my eight was good for the eleventh trick.

South dealt at game all and bid one spade. North took out into two hearts, and my partner in the East seat bid four diamonds. South, lured by the honours and the prospect of playing the hand, rebid four spades. She should have said four hearts, which is cold against any defence, but in that case there would have been no story.

Against the spade contract I led my singleton diamond, and my partner cashed Ace and King. On the second diamond I threw the two of hearts, and East rightly cashed the Ace of clubs.

At first sight it looked safe to encourage with the ten, but declarer might have no further club. A diamond continuation is certain to defeat the contract, because it promotes my ten of trumps.

On the Ace of clubs I threw my King. With the Queen exposed in dummy this could mean only one thing—I did not want a club return. As I had already thrown the heart two, I must want another diamond lead. My partner, bless him, got the message: led the diamond Knave, and I ruffed with the ten of spades to put the contract down.

This was a variation of the famous coup brought off by Harry Fishbein.

At game all West dealt and opened the bidding with one club, which my partner overcalled with two diamonds. After East's pass I had to take some action, and I bid two hearts. West now said two spades, and my partner raised to four hearts. This was passed to West, who bid four spades. I was prepared to double this, but North decided to go five hearts, and all passed. Surprisingly enough,

BRIDGE

E. P. C. COTTER

TO BE involved in even one thrilling hand during a session of bridge makes one more than grateful, but to have two such hands gives one a feeling of complete euphoria. Let me tell you of two deals which occurred only last week. Here is the first:

N. ♠ 7 6 4 ♣ A K Q 7 5 ♦ A J 8 S. W. ♠ K 10 9 5 ♣ J 7 ♠ 10 9 3 2 ♣ 9 2 ♦ 10 6 4 ♠ K 9 5 4 3 ♦ Q 7

At game all West dealt and opened the bidding with one club, which my partner overcalled with two diamonds. After East's pass I had to take some action, and I bid two hearts. West now said two spades, and my partner raised to four hearts. This was passed to West, who bid four spades. I was prepared to double this, but North decided to go five hearts, and all passed. Surprisingly enough,

the Knave, and led my spade which was ruffed with the seven of hearts. East overruled with the ten, but now my eight was good for the eleventh trick.

South dealt at game all and bid one spade. North took out into two hearts, and my partner in the East seat bid four diamonds. South, lured by the honours and the prospect of playing the hand, rebid four spades. She should have said four hearts, which is cold against any defence, but in that case there would have been no story.

Against the spade contract I led my singleton diamond, and my partner cashed Ace and King. On the second diamond I threw the two of hearts, and East rightly cashed the Ace of clubs.

At first sight it looked safe to encourage with the ten, but declarer might have no further club. A diamond continuation is certain to defeat the contract, because it promotes my ten of trumps.

On the Ace of clubs I threw my King. With the Queen exposed in dummy this could mean only one thing—I did not want a club return. As I had already thrown the heart two, I must want another diamond lead. My partner, bless him, got the message: led the diamond Knave, and I ruffed with the ten of spades to put the contract down.

This was a variation of the famous coup brought off by Harry Fishbein.

At game all West dealt and opened the bidding with one club, which my partner overcalled with two diamonds. After East's pass I had to take some action, and I bid two hearts. West now said two spades, and my partner raised to four hearts. This was passed to West, who bid four spades. I was prepared to double this, but North decided to go five hearts, and all passed. Surprisingly enough,

the Knave, and led my spade which was ruffed with the seven of hearts. East overruled with the ten, but now my eight was good for the eleventh trick.

South dealt at game all and bid one spade. North took out into two hearts, and my partner in the East seat bid four diamonds. South, lured by the honours and the prospect of playing the hand, rebid four spades. She should have said four hearts, which is cold against any defence, but in that case there would have been no story.

Against the spade contract I led my singleton diamond, and my partner cashed Ace and King. On the second diamond I threw the two of hearts, and East rightly cashed the Ace of clubs.

At first sight it looked safe to encourage with the ten, but declarer might have no further club. A diamond continuation is certain to defeat the contract, because it promotes my ten of trumps.

On the Ace of clubs I threw my King. With the Queen exposed in dummy this could mean only one thing—I did not want a club return. As I had already thrown the heart two, I must want another diamond lead. My partner, bless him, got the message: led the diamond Knave, and I ruffed with the ten of spades to put the contract down.

This was a variation of the famous coup brought off by Harry Fishbein.

At game all West dealt and opened the bidding with one club, which my partner overcalled with two diamonds. After East's pass I had to take some action, and I bid two hearts. West now said two spades, and my partner raised to four hearts. This was passed to West, who bid four spades. I was prepared to double this, but North decided to go five hearts, and all passed. Surprisingly enough,

the Knave, and led my spade which was ruffed with the seven of hearts. East overruled with the ten, but now my eight was good for the eleventh trick.

South dealt at game all and bid one spade. North took out into two hearts, and my partner in the East seat bid four diamonds. South, lured by the honours and the prospect of playing the hand, rebid four spades. She should have said four hearts, which is cold against any defence, but in that case there would have been no story.

Against the spade contract I led my singleton diamond, and my partner cashed Ace and King. On the second diamond I threw the two of hearts, and East rightly cashed the Ace of clubs.

At first sight it looked safe to encourage with the ten, but declarer might have no further club. A diamond continuation is certain to defeat the contract, because it promotes my ten of trumps.

On the Ace of clubs I threw my King. With the Queen exposed in dummy this could mean only one thing—I did not want a club return. As I had already thrown the heart two, I must want another diamond lead. My partner, bless him, got the message: led the diamond Knave, and I ruffed with the ten of spades to put the contract down.

This was a variation of the famous coup brought off by Harry Fishbein.

At game all West dealt and opened the bidding with one club, which my partner overcalled with two diamonds. After East's pass I had to take some action, and I bid two hearts. West now said two spades, and my partner raised to four hearts. This was passed to West, who bid four spades. I was prepared to double this, but North decided to go five hearts, and all passed. Surprisingly enough,

the Knave, and led my spade which was ruffed with the seven of hearts. East overruled with the ten, but now my eight was good for the eleventh trick.

South dealt at game all and bid one spade. North took out into two hearts, and my partner in the East seat bid four diamonds. South, lured by the honours and the prospect of playing the hand, rebid four spades. She should have said four hearts, which is cold against any defence, but in that case there would have been no story.

Against the spade contract I led my singleton diamond, and my partner cashed Ace and King. On the second diamond I threw the two of hearts, and East rightly cashed the Ace of clubs.

STAMPS

JAMES MACKAY

LAST month's FT Buyers' Guide to Stamps, Coins, Medals and Banknotes caused some panic in the breast of one reader who was perturbed to see the price of an illustration of the PUC 21 stamp of 1829, stating that it had been purchased at a Warwick and Warwick monthly auction for £290. He himself had purchased a similar stamp through the same firm for rather more than £300 and wondered whether he had made a poor investment.

There seem to be two moral points to this story: the first is the danger these days of not using the most up-to-date captions to pictures; and the second is that any collector—as opposed to investor—would have been fully aware of the present state of the market. This in itself is ironic, since collectors often strike a pose that they find any reference to the monetary value of their possessions rather distasteful—yet it has been my experience that philatelists usually have a pretty accurate idea of the current value of their holdings, despite protestations to the contrary.

Investors, on the other hand, the people who one might expect to have a finger on the pulse at all times, are sometimes incredibly naive where the stamp market is concerned. Perhaps, since they put their money into the more traditional forms of investment, they have not yet grasped the peculiar nature of the stamp market. This can best be illustrated by reviewing the performance of the PUC 21 stamp which caused all the panic in the first place.

This stamp was issued in 1829 as part of a series marking the Postal Union Congress held in London. Four low values, in denominations of 1d, 1d, 1d and 2d were issued in accordance with the modest requirements of the inland and overseas rates of the time, but it was felt that delegates to the Congress should receive something extra special in the way of a souvenir, hence the 21 stamp. As Britain had managed without a 21 definitive since the outbreak of the First World War, the need for a commemorative stamp of this value was vigorously denounced by collectors at the time. Slightly more than 30,000 stamps were issued but the demand was very poor. Britain was then entering the Depression and few people could have afforded to spend 1p on a piece of paper. For several years the stamp was available at face value from the GPO in London, and from the viewpoint of collectors and dealers alike it was a drug on the market.

As recently as ten years ago the PUC 21 was catalogued by Gibbons at £12 in mint condition, but was invariably offered by dealers at a hefty discount.

whether to write of hollies as trees or shrubs for in time most will reach a considerable height but are so slow growing and are so amenable to pruning that there is no difficulty about keeping them to shrub proportions. *Augustifolia* is one of the most naturally dwarf and is also slim in habit and narrow in leaf. At the other extreme *Camellifolia* is a very vigorous holly with extra large, virtually spineless leaves. Both are green and *Camellifolia* has extra large berries.

Victorian gardeners loved to plant weeping hollies with branches that swept right down to the ground. Well placed they can be very beautiful and it is sad that they are almost unknown today except in old gardens. *Pendula* is the name tagged on to most of them though it really belongs to only one form, selected nearly 150 years ago in Derbyshire.

This has green leaves but there is also a weeping holly with leaves in two shades of green plus white. It is sometimes called *Perry's Silver Weeping*, sometimes *Argentea Pendula*.

There is also a holly with yellow berries. This may turn up as *Baccifera* or *Fructuosa* so do not get caught and buy the wrong thing twice over thinking that there must be some difference.

All hollies are very easy to grow but also rather difficult to transplant. They dislike root breakage and so are best purchased in containers or "balled," a nursery term for plants that are dug up with plenty of soil around the roots which is then prevented from falling off during transit from nursery to garden by being wrapped tightly in sacking or polythene film. Do not be tempted to plant with this protective covering still around the roots but remove it carefully, actually in the new planting hole if practicable, so that there need be no further movement of the plant. Then if the soil is scented back around the roots and made firm the holly should scarcely know that it has been moved.

Given this background, the news that Hastings has found a new and well-known sponsor in the form of International Computers Ltd. is a welcome major development. The link between this leading British computer company and our best-known chess event is a happy joining of the significant and growing link between computers and chess.

This can be seen in IBM's help for the game in the Netherlands and the increasing use of computer programs for team pairings and result information from the world team championship and similar major competitions. Reverting to Hastings, the entry list at writing is a strong one in eight, with eight grandmasters: The announced players are Vasyukov and Kochev (USSR), Hort (Czechoslovakia), Csom (Hungary), Christiansen, Peters and Lein (U.S.), Andersson (Sweden), Suba (Romania), Bilyasov (Canada), Balaban (Israel), Hartston, Mestel, Spielman and Taubert (England).

I should add that playing rounds at Hastings are every afternoon at the White Rock Pavilion from December 28 to January 14 except for Mondays and for Friday, January 12. Games are demonstrated on wall boards, play can be viewed at comfort, admission is at the door, and there are usually seats available.

This week's game shows—as may also be in evidence at Hastings—that lesser-known Russians are a danger to the best in the world. The winner in joint Soviet champion, but still an unfamiliar name in the West, is White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

CHES

LEONARD BARDEN

THE ENTRY list is taking shape for the traditional Hastings congress, the 54th in the series and the longest running annual event on the international chess calendar. All the world champions since 1886 except Bobby Fischer have played at Hastings.

In recent years the congress has had some of its thunder stolen by rival regular events across the North Sea in the Netherlands, where the annual Hoogoven and IBM tournaments are among the most important on the European calendar and where the Interpolis insurance invitation at Tilburg has also made a great impact in its first two years.

Given this background, the news that Hastings has found a new and well-known sponsor in the form of International Computers Ltd. is a welcome major development. The link between this leading British computer company and our best-known chess event is a happy joining of the significant and growing link between computers and chess.

This can be seen in IBM's help for the game in the Netherlands and the increasing use of computer programs for team pairings and result information from the world team championship and similar major competitions. Reverting to Hastings, the entry list at writing is a strong one in eight, with eight grandmasters: The announced players are Vasyukov and Kochev (USSR), Hort (Czechoslovakia), Csom (Hungary), Christiansen, Peters and Lein (U.S.), Andersson (Sweden), Suba (Romania), Bilyasov (Canada), Balaban (Israel), Hartston, Mestel, Spielman and Taubert (England).

I should add that playing rounds at Hastings are every afternoon at the White Rock Pavilion from December 28 to January 14 except for Mondays and for Friday, January 12. Games are demonstrated on wall boards, play can be viewed at comfort, admission is at the door, and there are usually seats available.

This week's game shows—as may also be in evidence at Hastings—that lesser-known Russians are a danger to the best in the world. The winner in joint Soviet champion, but still an unfamiliar name in the West, is White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

White: B. Gulko (USSR). Black: L. Portisch (Hungary). Opening: Ruy Lopez (Niksic 1978).

THE HOLLY BEARS THE CROWN

ARTHUR HELLER

EVERYONE LOVES holly at Christmas but I doubt whether many people are planting hollies in their gardens, which is a pity as this is the most decorative of our native evergreens and the one that has produced the greatest number of ornamental varieties. What the grand total is I do not know but W. J. Bean describes 46 without including these hybrid forms that are nowadays listed under the general name *Ilex neriifolia* to distinguish them from the pure, unadulterated British holly, <

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telegrams: Finantime, London P54. Telex: 386341/2, 863887

Telephone: 01-245 8000

Saturday December 23 1978

Christmas
summit

IT WAS COLD up there—even the reindeer were a bit festive; but inside the cabin thoughtfully provided by the mysterious hijacker, impenetrably disguised behind a thick white beard and an enveloping red cloak, things were warming up. They needed to: for as he had told the assembled leaders, there was only one way out. They had to generate enough warmth of goodwill to melt the impenetrable snow, and enough light of reason to show them the way down. During the first disastrous night, spent by everyone blaming everyone else for the disaster, there had been a severe danger of frostbite: but by now, they were beginning to see the sense of their instructions.

It was started, naturally enough, by one of the delegates from the South, a fat, comfortable-looking figure with three pairs of arms, who found the cold particularly trying. "It has occurred to me in my meditations," he said, "that although my people have been sorely provoked, their present strategy of trying to bully all the richer brothers into co-operation is more satisfying to emotion than to reason. As Confucius has observed, 'If you want to mix it in the saloon, be sure to carry two guns.' We do not.

Resplendent

"On the other hand, we do have something to offer. You complain of inflation; we could supply abundant goods. Your makers of the engines of production are in depression; our needs are almost limitless. If we proceed step by step, surely we could arrange an exchange to our mutual advantage."

This thought appealed to some of the politicians present; but a figure in a resplendent silk hat, who had been brought along as a financial adviser, cleared his throat and started a long speech about third-world debt. There was a worrying amount of it already, his hearers understood in a haze of technicalities.

"I see," said the six-armed one, rather sadly "that although you complain of inflation, you are in fact devoted to it. For it has been written that he who tries to get a quart out of a pint pot, or who repeatedly returns with his jar to a dry well, must expect to get short measure." There was an immediate call for the banker to be suppressed; but as soon as he promised to mind his own business—that is, making loans which could actually be repaid—he was allowed to stay in his corner quietly. After a pause, a red-faced figure called Bull cleared his throat and muttered: "You have heard me going on about transfer of resources at another summit. Perhaps that's what we need here."

The realisation that Mr. Bull, generally known as a cantankerous partner who always

wanted to know what was in it for him, was capable of an unselfish thought, greatly impressed the leaders of other and richer countries. They soon fell to discussing their own differences in a pretty tolerant spirit, but were making not very much progress, when the leader of rather a small country, an agreeably peaceable and unsophisticated fellow, spoke up diffidently.

"If you'll forgive an outsider butting in, it seems to me you all have the same problems, and you quarrel mainly because you are always trying to unload them onto one another. Isn't it time we started talking about what goes on inside your countries, and see if most of the answers aren't there?" And so began the first meeting in history which was not only tripartite, like so many sandwich sessions at Downing Street, but international.

The first result was a sharp fall in the temperature, and some previously melted snow which had seeped under the door froze and made the cabin a positive ice-trunk. However, Mr. Bull, with long experience in these matters, soon divided the party into three corners of the room to talk to each other; and they rapidly found what a lot they had to learn. Unions heard how militancy, which involved disrupting production, was not the best known way to make workers rich. Employers learned that in countries where workers are trusted and informed, they do not bite.

By now the warmth and light were reaching the required levels, and the snow was vanishing; and even a bear, which had been quite enjoying the cold, joined the band of brothers, and suggested sprinkling salt on what remained of the snow, which worked very well.

Levitation

At this point the bearded hijacker appeared on a sleigh, which appeared to be equipped with some form of levitation, and beamed on his captives. "Ready to go?" he said. "I'll give you all a lift." And to their amazement, all of them floated in.

When he had set them down, they first demanded to know his identity, and he had to allow a number of sepias to pull his beard quite painfully before they would accept him at face value. Then they began to ask him why they had been put up there in the first place. "We've got no hard and fast agreements, nothing to sign, no plan, not even a communiqué," they complained. "We might just as well never have gone."

"Plans?" said their host. "Supposed you would solve anything with those? But if you really think your meeting has achieved nothing, I might have to make an annual event of it."

Leaders and laggards on the London Stock Exchange

Bids bring on
the leaders

BY TIM DICKSON

COMPANIES which hit the takeover jackpot dominate the field in this year's league of top stock market performers. Without the spice of bid speculation, investors who picked up a few thousand shares last Christmas can feel well pleased if they are significantly better off this morning.

Chance, of course, often provides the elusive key to making money quickly. But even a sideways glance at Datastream's table of 1978 leaders and laggards (between January 3 and December 15) demonstrates that it played a more than usually important part for those who did make money.

Of the ten top companies capitalised at more than £25m, no fewer than four forced their way into the charts with the help either of successful or as yet unfulfilled takeover attempts. Two more (including top performer William Mowat) used an identical route into the list of allcomers (those companies capitalised above £100,000) while bid hopes helped spur the price of several other stocks.

Moreover, only last week Merck's bid for Algate pushed Algate's shares up from 255p to 370p in just a few days.

On the other hand, looking back to 1977, only three shares reached the top on the back of takeover speculation. A year earlier bids were largely confined to the list of laggards, which made the tables.

If 1977 was a year of recovery, 1978 could well be described as the year of renewed uncertainty. After Britain's shock treatment at the hands of the IMF, interest rates in 1977 gradually fell while inflation and the balance of payments were brought under control.

This sharply encouraged equities which peaked to the summit of 1977 before falling off at the end of the year. Nevertheless the FT 30-share index still showed a useful 12-month gain of 35 per cent.

By contrast the year just ending has shown more of the pedestrian qualities which held back growth in 1978. With interest rates already on the way up before the new year was in, 1978 promised little, and yielded only one significant midsummer rally, finishing back where it started.

As if to prove the market's indifference to last week's hovering index was last week hovering slightly below its January level while the FT Actuaries All-Share Index looks like ending the year a shade up on 13 months ago.

Rising interest rates—at times not moving ahead fast enough to satisfy some commentators—perhaps provided the biggest drag on portfolio investment.

Initial concern about sterling and the balance of payments, however, proved largely unfounded as the former picked up after an early slide and

THE LEAGUE TABLES

THE TOP TEN
(Market capitalisation £25m. plus at December 15, 1978)

Table 1	% rise
MFI Furniture	+189
Allied Retailers	+153
Ldn. Sumatra Plantation	+137
Foster Bros.	+107
ICL	+102
Westinghouse	+96
British Aluminium	+94
Electrocomponents	+90
Sabah Timber	+89
Sotheby Parke Bernet	+77

THE BOTTOM TEN

Table 3	% fall
Hoover 'A'	-43
Grattan Warehouses	-37
P & O	-32
Kwik Save Discount	-28
Dunlop Holdings	-28
Furness Withy	-26
Edinburgh Industrial	-24
On Exploration	-24
Trafalgar House	-25
Linford Holdings	-24

THE ALLCOMERS LEAGUE
(Market capitalisation £100,000 plus at December 15, 1978)

Table 2	% rise
Wm. Mowat	+744
Brown and Jackson	+645
Wallis Fashion	+493
London Pavilion	+395
Bamber Stores	+395
Cap. and Capital Landlords	+314
Suter Electrical	+288
H. J. Baldwin	+280
Leaderbank	+259
Prince of Wales Hotels	+251

THE DOWNS

Table 4	% fall
George Ingham	-55
Hunting Gibson	-52
Graig Shipping	-52
Cretion Holdings	-50
Petroleum Group	-46
Edinburgh Industrial	-44
Audiotronic Holdings	-44
Bishop's Stores	-44
Sikolene	-43
Reardon Smith	-43

fluctuating current account figures more or less cowered themselves out.

Currency worries, however, found an outlet in the dollar crisis which dashed any forlorn hopes later in the year of a sustained pick up in the equity market. By pushing up U.S. interest rates it provided a legacy which will doubtless play a big part in determining international equity movements in 1979.

Hopes that dividend controls might be lifted caused much excitement at the time but in the end made little impact on shares.

Two companies—Boots and Bechem—which used a Euro-dollar loan and rights issue respectively to help reward shareholders—not little thanks from the market.

Elsewhere, political uncertainty further clouded any signs of enthusiasm and many observers feel this factor may carry over into 1979 until a general election has passed.

There was, however, good news and in a year when the much expected consumer boom dutifully arrived, it is not surprising to see several retail groups in the list of top performing shares.

Pride of place in the Grand Prix league goes to MFI Furniture when the share price started the year at 80p and reached 175p by December 15. This is all the more impressive given the share's 265 per cent gain in 1977 when it was called MFI Warehouses.

Demand for the shares has been consistently strong and pre-tax profits for the year to the end of May of £5.3m (£1.8m) set the seal on an excellent year. With sales currently

reported to be 50 per cent ahead, analysts feel the stock has not yet run out of steam.

Furniture is also a profit pillar of runner up Allied Retailers, perhaps better known for its fast growing carpets business. The merger proposals from the Asda Group of course, provided the final spur and helped push Allied's shares 153 per cent higher over the year.

Another multiple retailer, Foster Brothers, this time selling clothes, takes fourth position with the share price more than doubled over the year. Menswear sales have been booming but there has been an element of recovery in the stock's popularity now that the company has closed down the Stone-Dr outlets.

Burton Group, is another clothing company lurking near the top with pre-tax profits this year turning out at £7.5m. Leasing with an almost quadrupled share price. Women's place its share price has improved 56 per cent thanks to the recovery.

Bambers Stores, meanwhile, takes fifth place in the Allcomers League with an almost quadrupled share price. Women's and children's clothes did the trick here with the help of a doubled interim dividend and the apparent alchemy in a name change.

While carpets, furniture and clothes on this reckoning seem to have done well, it has not been all sunshine in the retail sector. Although signs may have emerged recently that price warfare in the high street is cooling down, keen competition has taken its toll.

Kwik Save's appearance in the bottom ten companies capitalised at over £25m may raise some eyebrows but the 28 per cent

fall in its shares reflects the way other food retailers have tried to challenge Kwik Save's position as a price leader. Margins at Linford have also been dented while the bid for Wheatbeats did not go down well with the market.

Another consumer share, Grattan Warehouses, has also disappointed with a 37 per cent slump over the year. In an otherwise buoyant mail order sector, the company's slow profits growth has appeared pedestrian. Dixons, Photographic, Mothercare and Currys are all in the bottom 20.

With the 1977 market in many cases discounting advances in the retail sector this year, takeovers provided the best bet for dramatic share growth in 1978.

Besides Allied Retailers there was London Sumatra Plantation, Westinghouse Brake and Sabah Timber which are all in the senior league as the subject of bids. Harrison Malaysian Estates, Averys and Carlton Industries are among those who nearly made it.

The allcomers list meanwhile includes Mowat and London Pavilion and Midland Educational not far off.

Shareholders in London Sumatra and Sabah can all thank Harrison and Crossfield for the 137 per cent and 89 per cent appreciation in their respective investments. H and C, which now owns 45 per cent of London Sumatra, vigorously helped its associate defend a bid last spring from McLeod's. But whereas some takeover attempts simply leave investors where they started, this action, which involved a revaluation of London Sumatra's assets, clearly demonstrated that the shares were cheap.

In Sabah's case the recent bid by H and C for the 40 per cent minority stake it did not already own, has been the main spur behind the shares.

The London Sumatra defence and Hawker Siddeley's recent offer for Westinghouse Brake both demonstrate that takeovers may have been popular in 1978 but they have not been won cheaply.

Property company William Mowat's position at the top of the Allcomers League owes much to rumours of a bidder back in August and the appearance of Jenth, the private Jersey-based investment group, the following month.

The Mowat Board's advice to

shareholders after the agreed 22p per share offer from Jenth in October was somewhat confusing. Shareholders were told they might actually wish to hold on to their investment "in view of the action Jenth intended to take to develop the company." Such ambiguity may explain why the shares have reached their December 15 level of 55p.

London Pavilion's growth, meanwhile, has almost been as spectacular. The tiny group, of which the only asset is the leasehold interest in the cinema of the same name, has shot up on renewed speculation following Sandelson's unsuccessful bid at the beginning of the year. The shares have moved from 165p to 90p in the 12 months.

Of the remaining companies in the £25m plus bracket, Electrocomponents has perhaps the most impressive record. Hot on the heels of its third place finish in 1977 (an almost 300 per cent growth) the shares finished 150p higher at 325p this time. The group has a wide range of customers, has benefited from the increasing use of electronic equipment, and as a distributor of a big variety of components, stakes its reputation on prompt and efficient service. Growth has been uninterrupted since 1968 and last month the company continued its run with interim profits of £4.5m (£3.1m).

Bottom of the pack, however, lies Hoover where the share price fell from 387p in January to 223p on December 15. Liba Dunlop, which also features in the list with a 28 per cent drop, Hoover has been hit hard by cheap imports—in its case by consumer white goods from Italy. The company's nine-month figures to September this year revealed the scars—pre-tax profits were more than halved at £4.15m. Dunlop, meanwhile, is in a similarly difficult position, thanks to cheap imports from the Eastern bloc.

In the Allcomers League, George Ingham and Hunting Gibson were joint losers in 1978 with a 55 per cent fall in their capitalisation. The former, a Halifax-based textile manufacturer with a market valuation of only £150,000, missed out on the increase in consumer spending with first-half profits of £21,000.

Elsewhere in this league, Edinburgh Industrial, formerly Edinburgh Caterery Company, was once again an investor's graveyard following a 27 per cent slide in its share price in 1977.

Unsurprising half time figures from Auditronic earlier this month showed that new chairman Mr. Geoffrey Rose will have his work cut out to convince the market of his company's recovery potential.

Investors in only 117 companies have doubled their money in 1978, against 560 in 1977. If the market really is waiting for a general election, perhaps next Christmas there will be something more to cheer about.

Successful
expansion

Last year's winner British Aluminium, where until September only 2 per cent of the shares were on the market, again performed well with the shares almost doubling over the year to finish at 87p. The decision by Reynolds Metals, of the U.S., to sell its 48 per cent stake in the company, gave other investors (largely institutional) a chance to share in what the market obviously felt will be the successful expansion of what is again a British owned company.

Of those which just missed the top ten but made the top 20 of the over-£25m league, Black Electronics, John Brown and Dowty Group deserve a mention.

In the Allcomers League, Blackburn-based Brown and Jackson has attracted attention with a big spending spree on private companies. A narrow market in the shares has also been significant, a factor incidentally which also applies to

Letters to the Editor

Microelectronics

From Mr. A. Smallhorn
Sir—Mr. S. B. Marsh (December 20) may well have misread my reference when he quotes me of warning against too rapid abandonment of old techniques. Nowhere in my original letter did I make this warning.

Mr. Marsh quotes of advances made in sewing machines through the application of micro-processing technology. I would agree that this is just one of the many areas where micro-electronic techniques are taking over ostensibly mechanically controlled processes. I would add that they may improve the operation.

It is possible to hazard a guess that the number of new stitches available on an electronically controlled sewing machine has puzzled seamstresses and baffled marketing. This is not a problem.

The high-speed train could be cited as the ultimate development of Stevenson's technology married to many others. The advanced passenger train, when it comes into service, may be regarded as the start of a new era of rail transport engineering on conventional permanent way.

Similarly, no small part of Westland's continued success in the helicopter market should be attributed to the brilliance of the mechanical engineering of its drive line. This is achieved by the application of new ideas to "traditional" engineering technology.

The mechanical engineering industry is suffering terribly from a tacit acceptance of decline. Unless something as dramatic as the Government intervention in the new technology of micro processes is seen to happen, whole areas of industry will vanish. They will not vanish because the products manufactured in these industries have stopped being made, they will vanish because we can no longer compete. These products will be made in the Third World, behind the Iron Curtain, and by our competitors.

This momentum can be

defeated by new technology. The greater part must come from the development of new products which cause various mechanical engineers to create higher technology products with which our competitors can compete.

To remain competitive these products need not always be cheaper. Added value may come from higher performance, lightness, lower maintenance costs, or other product pluses. The task of improving mechanical engineering is more important than any other in industry but it is not recognised. Anthony Smallhorn, Wrayfield House, Stotfold, Hitchin, Herts.

Boards

From Mr. G. Wolf

Sir—Jan Hildreth's letter of December 18 is not unexpected from the director general of the Institute of Directors but it is not entirely correct. He states that "directors are not chosen on the basis of electoral popularity nor as representatives of a narrow interest group." The directors are elected by the shareholders and therefore there must be some electoral popularity to secure their seats and as the board are statute bound to represent the interests of the shareholders of a company they must represent a narrow interest group.

My support for the two tier board is not reduced by its weaknesses. Although I do not pretend it is a perfect solution it certainly seems to me to be the nearest we can get to an ideal solution. I have no objection to shareholders having representatives on the board but as these are not necessarily people skilled in the profitable and efficient running of the enterprise, I would be much happier for the existence of a lower board consisting of professionally qualified managers who reach their position on merit. I agree with Mr. Hildreth that

this may reduce the initiative of the upper board but I do not know that this is any more than the present position where one may find half of the board saying nothing at board meetings.

Finally, I note Mr. Hildreth says the board owes its first duty to the customer which is news to me as I was always under the impression that a director's first responsibility was to the shareholders.

G. S. D. Wolf, 14, Harley Street, W.1.

Whales

From Mr. B. Lennie

Sir—With regard to the comments of Mr. X. X. Turpin of Harrogate and you concerning the Christmas cards which Robert Lindsay delivered on behalf of our organisation "Christmas protest at whale oil refiners" December 19 I would wish to make the following points.

However many cards were sent by children—and these certainly did not comprise "a large proportion"—we certainly were proud to include them. It is partially because we want future generations of children to be able to grow up in a world where whales still live that we organised our protest.

As regards any regrettable obscenities that may have been expressed in a few cards, they cannot begin to compare with the obscenity of killing the whale.

Finally we would wish to acknowledge that at least Mr. Turner's comments make a change from "No comment." Job agent now see Harrogate and the challenge to start discussing the real issue with us?

Bob Lennie, Friends of the Earth Liverpool, 5 Percy Street, Liverpool

Patents

From the Group Patents

Director, Fosco International. Sir—I have seen the corre-

spondence of December 6 and 12, protesting at the intention of the British Patent Office to index patents according to the international patent classification instead of the present British system. From my point of view, the change will be an improvement so long as the correct international classification is applied, and undoubtedly British Patent Office staff will need some education in this respect (that is in other national Patent Offices need it, too).

Recently I was with the officials in The Hague handling the international system and I was most impressed by their open, helpful attitude and saddened by the fact that I was alone in visiting them. Their data is computerised and readily retrievable; it is far more comprehensive than that at the London Patent Office. The international system is not perfect, but the officials in The Hague are aware of the problems and are making changes to improve the system. We find we get a good service from The Hague for our areas of technology relying on the international system.

Plant

From the Director,

Process Plant Association

Sir—Your article of December 19 gives a misleading impression of the UK process plant industry's performance and attitude towards India. Our members have made great efforts to secure business in that country and were prominent in the recent mission to India to which you refer. Indeed, they supplied the fertilizer plants to that country immediately after the last war.

You stated that our industry produced just one reply 10 days before the close of tenders. This statement out of context gives a false picture. The truth is that the Indian customers set November 30 as the closing

date for pre-qualification tenders and advertised this in certain countries including USA, but not at all in the UK. It was only on November 10 that this requirement became indirectly known to our Indian mission which left little time to act. This point was taken up vigorously with the customers and the Ministry in India who were much taken aback. As a result of this the pre-qualification date was extended to January 20 which does give our industry time to act.

It would be idle to state that there have been no delivery problems in the UK process plant industry from time to time in the past, especially at the time of the three day week in 1974, but failures of this type have been greatly exacerbated by the Indian authorities. It should also be remembered that UK fabricators are very much in the hands of contractors when it comes to projects of the type of Gas I and II.

Harry Hornsby, 197 Knightsbridge, SW7

Carafes

From Mr. A. Bradley

Sir—it would be surprising if, as stated by Brigadier Chesshyre (Dec. 20), carafes of wine in 1/4 and 1 litre sizes "are becoming increasingly rare in this country" because, since the beginning of 1977, these (together with 1 and 1 pint for the dehaards) are the only sizes in which restaurants are permitted to sell wine en carafe.

This does, of course, raise again the question of over-regulation by government in consumer affairs. One might have thought it sufficient merely to prescribe that the volume of a carafe be clearly stated. Fortunately, I can think of one highly eminent restaurateur some distance from London (whose name I would not dream of divulging) who blithely ignores the new regulations, and who continues to offer his house

wines in carafes of either 50 cl or 30 cl as well as 1 and 1 litre. Long may he continue to flourish.

Alan Bradley, 710 Collingwood House, Dolphin Square, SW1.

Energy

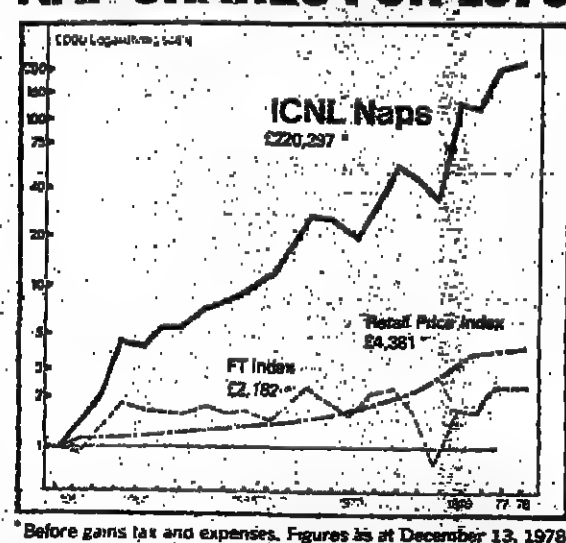
From Mr. P. Southwood

Sir—I read with interest your science editor's feature article (December 20) on the problems of nuclear proliferation.

It is surely revealing that, having made the admission that there is no technological "fix" which can render the nuclear fuel cycle proliferation-proof, every kind of conclusion is then drawn except the one that seems most obvious: namely, that the role of nuclear energy in world society should be reduced to a minimum. The fact that emerges quite clearly from the article is that no matter what precautions are taken the spread of nuclear weapons cannot be prevented. Whether Carter's policies on nuclear energy are right is not the crucial point. What matters most is that every development in nuclear energy, whether for nuclear weapons or power generation, is fuelling the flames of proliferation, whatever precautions are taken. Surely the most important underlying precaution that can be taken to limit the risks of nuclear proliferation is to minimise our reliance on nuclear power. Other precautions are important, and Carter's policies do not go far enough, but without minimising the role of nuclear power the overall risks of proliferation can only increase.

So if we are all agreed that non-proliferation is of central importance—and this is imperative given the dangers of nuclear war, or more likely, nuclear guerrilla war—then nuclear energy should be seen in a different context.

P. M. Southwood, c/o Department of Peace Studies, Bradford University, Richmond Road, Bradford, W. Yorks.

DON'T MISS THE
NAP SHARES FOR 1979

At the beginning of every year the ICN News Letter selects a number of shares (generally six) for capital gain over the following twelve months—its Star Nap Selections.

The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 22 years, including that of the 1978 selections. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth £220,297 (before gains tax and expenses) against an average £2,182 if you had invested in the FT index and £4,381 if you had managed to keep pace with inflation.

In addition to its traditional Nap Selections, the 42 News Letter gives regular weekly recommendations. The overall record shows that its recommendations have beaten the index by a wide percentage margin averaging into double figures on an annual basis. The News Letter also has an impressive track record with its general market and selling advice over the years, as supported by the many appreciative letters received from subscribers, and it has extended this to other important investment areas.

The ICN News Letter, published every Wednesday, is available on postal subscription only. Use the coupon below to order your subscription now, starting with the 1979 Nap Selections.

Many regular subscribers describe it as their best investment ever.

Please enter my name as a subscriber with the 4 January 1979 Nap Selection issue.

☐ £35.00 for one year (E40.00 normal outside UK) (includes first issue)

☐ Please invoice for £35.00

(Cheques to be made payable to Thompson Publications Ltd.)

Name/Initials (BLOCK LETTERS PLEASE)

Address

Postcode

To: MARKETING DEPT., INVESTORS CHRONICLE, INC., FREEPOST, LONDON EC4A 3DF.

Reg. Address: Bracken House, 10 Cannon Street, London EC4A 3DF. Reg. No. 006596

مكروان الأصل

Why I'm dreaming of a green Christmas

BY JOHN CHERRINGTON

UNLIKE Bing Crosby I have never longed for a white Christmas. As a livestock farmer, snow costs me money and the less snow there is, the better the year. It just makes the miseries of farming through an English winter all the worse. Particularly so at Christmas and the New Year which now seems to be telescoped into one long holiday. This means that all work is on an overtime basis and the hardships caused by snow and heavy rain, pipes and frozen troughs and the costs of extra feed because of the lack of grazing are enormously increased.

There is a foolish saying that a green Christmas kills the churchgoers. I don't believe it. The greener the Christmas, the better it is in the South of England where they are in the majority. The better my stock and crops and I survive into another spring. Even so, the only really good thing to be said about December 25 is that by that day the sun has begun its slow climb back to our latitudes and the days are getting perceptibly longer.

But I have suffered. Before the war I used to milk my cows in a portable milking shed in the field, called a bail: a system much at risk with snow and I remember one when snow and Christmas coincided when I was actually milking. On this particular Christmas afternoon, I was milking a cowman and arrived at the bail about 2 p.m. to find it silent, the cows in a huddle at the other end of the field, a foot of snow and no sign of my mate. I hadn't far to look for him. Tied to the fence of the nearby pub was the horse and cart which carried the churns and feed for the cows. Inside I found Stan topping up his Christmas cheer and in very good form as well.

I joined him for a while, and then persuaded him to come and help me milk. He was very cheerful about it, and by this time so was I. We drove to the bail, chased the cows in to their pen, unhitched the pipeline which was frozen, and started milking. It was a brute of an afternoon, the wind getting colder every minute and snowing hard. But somehow we didn't seem to feel it. In fact we began to feel uncomfortably hot. Whatever the landlord had spilled the beer with, had made us impervious to the cold. We were sweating. I took off my overcoat then my jacket and before long was down to my shirt sleeves and so was Stan. Then we thought the cows would milk better if we sang to them and so we did. Because we had been late in starting we were singing well as the local churchgoers forced their way through the snow to evensong. But next morning at 5 a.m. things didn't look so good. There had been more snow which we had to dig out. We couldn't get warm, the cows kicked the buckets and stamped on our feet. The Christmas spirit had left them (and us) entirely and what was worse the milk which had been up the afternoon before was down. The only explanation I can think of is that when conditions are atrocious it is better to be tight than sober.

Two boars

Other Christmas are remembered for various accidents inseparable from farming life. A herd of cows or sheep gets out and tramples over neighbouring gardens. Angry people interrupt my Christmas dinner with complaints, not realising that the joy of living in the country must be paid for. Only last year I took a last look around my pigs just before going in to lunch,

only to find that two enormous boars had had a fight, and one had broken its leg. It took one-and-a-half hours to get a slaughterman to come and put him out of his misery and haul him away. Disasters invariably start on holidays.

In the 1930s farm workers only enjoyed Christmas if they were lucky as a privilege and not as a right. They certainly had no holiday on Boxing Day. Farmers of course could take a break and one of the customs in Wiltshire, although I never saw it actually performed, was to go out and shoot 12 blackbirds before Christmas lunch. What the origin of this particular slaughter was I never discovered (four and 20 blackbirds baked in a pie). And I never indulged in the sport myself. But as game shooting is forbidden on Christmas Day, the addict could keep his eye in before the customary tenant shoot on Boxing Day.

Boxing Day shoots, coming as they do towards the end of the shooting season, were often a free for all. Almost anyone used to be invited, and no one took it with the deadly seriousness that unfortunately characterises so many farmers' shoots today. Almost everyone came out to indulge in the sport myself. I could be relied upon to miss a number of birds so as to safeguard the next year's stock. One Boxing Day I shot a pheasant the last drive, then caught a plane to Australia where three days later, before the days of jet, my friends had delayed their Christmas dinner, turkey and plum pudding until my arrival. The thermometer topped the century and the beer flowed like Niagara until New Year's Eve when my host suddenly bundled me into a car to drive some hundreds of miles into the interior to shoot kangaroos. On New Year's Day I shot one—not quite a right and left.

I have had half a dozen Christmases and New Years abroad, particularly in the southern hemisphere, where instead of snow and ice, drought, great heat or torrential rain has been the rule.

I had landed in the Argentine with a load of sheep from New Zealand and promptly began to look for work. I found that all jobs except for the lowest had Spanish as a first essential. I spoke no Spanish, so I got a labouring job on a big estancia south of Buenos Aires where, after a couple of months, I hoped to learn enough Spanish to rise in the social scale. It was hard monotonous work, and the food, boiled beef at midday, and roast beef at night, with very little else was monotonous. However, on Christmas Day we were given a treat—*asado con cuero*—calf in its skin. A big calf was killed and skewered on fencing stakes with the skin still on, facing an open fire. There it cooked for two or three hours. This system makes sure that all the juices remain in the meat. The minute it was judged properly cooked we were invited to try it. No plates were used. The procedure was to cut a strip of skin and meat from the carcass, then slice a suitable mouthful almost in the last shred which held it on until you got it between your teeth. Then a slick upper cut with the knife which everyone carried taking care not to take off the tip of your nose, and the morsel was in your mouth. It was absolutely delicious, particularly on that first occasion that I tasted it. To avoid burning our hands we used two small pieces of hard bread—*galleta*—which used to be delivered to the estancia every two months. With difficulty they could be swallowed when soaked in gravy. For drink we had wine. It was a sort of brandy, finishing up with mate, a hot leafy tea, which kept scurvy at bay. I can't remember when I enjoyed

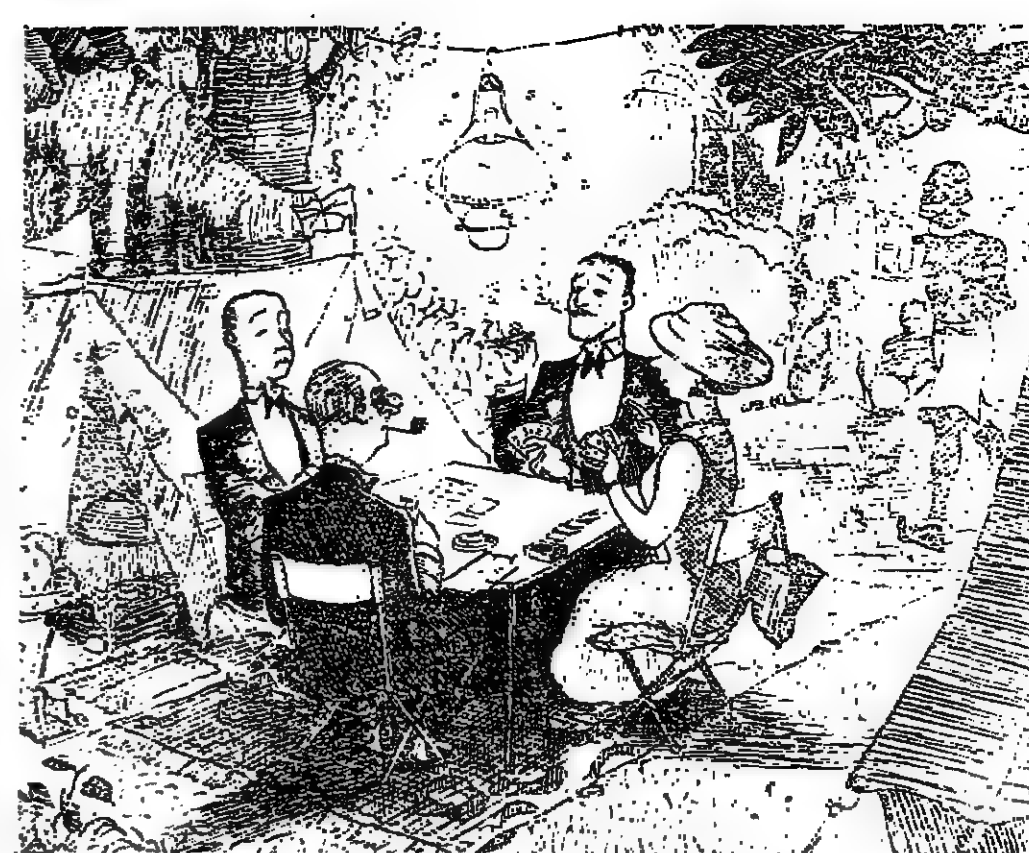
a meal so much or felt so full afterwards.

When it was over I thought I would like a swim. The owners of the estancia had a swimming pool. This was reserved for them and not for the workers. While the family were enjoying their sophisticated meal indoors I crept through the grounds, took off my clothes, and swam a few lengths in the nice warm milky water until I suddenly remembered the awful stories I had heard of cramp affecting those who swam after a heavy meal.

I remember a more recent Christmas or rather New Year in Colombia, where the New Year is often more highly thought of. I had travelled from Bogotá in the highlands to the jungles near the Magdalena river with Antonio, a politician looking for a seat in Parliament who was going to make some sort of a bribe in the shape of a new bridge to a village in his prospective constituency. At least I think it was a bribe.

We spent the night on a nearby ranch and reached the village about 10 o'clock. The cheque for the local bridge was handed over with due ceremony, and then we adjourned to a pub with a long verandah where Antonio, myself, our wives and some children and 40 or 50 villagers sat down in the shade of the tin roof, and began on the beer.

The Colombian barmaids understand the principles of serving drink excellently. As soon as the top was off one of our bottles, another was put in its place, and although Colombian beer is not particularly strong, the effect of sheer quantity is pleasing in a hot climate. If by any chance the conversation flared a bottle of spirits was produced and passed around to top up with. During the



THE BRITISH CHARACTER: ADAPTABILITY TO FOREIGN CONDITIONS
One of Pont's cartoons of 1934. Reproduced by permission of Punch

course of the morning I heard some conversation going on about a *salida*, which means hen. A few minutes later there was a violent squawking in the distance and we were told that chicken would be served when it was cooked.

At about 4 p.m. the hen was pronounced cooked, banana leaves were laid on the table, the cooking pots emptied on to them and we helped ourselves. Only the *arroz* was digestible.

All through the long afternoon we drank beer and made political speeches; about 50 people spoke on various political questions and they then looked expectantly at me. What could I do but uphold the honour of Britain and the Financial Times. I embarked on a rousing endorsement of my friend Antonio and all he stood for. My Spanish, although fluent, could not have been very good. Antonio did not then and has

not since secured his rightful place in his country's parliament. And for this Christmas I am doing something completely different. No travel, no entertainment. I am leaving the farm in good hands and turning myself in one of the furthest extremes of the British mainland where nothing happens and telephones never ring. Rather like a beautiful but I hope temporary grave.

Weekend Brief

Super woman

Mrs. Gandhi appeared to enjoy every moment of it. As the Indian Parliament brought ridicule on itself last week by both expelling her and locking her up for a few days, Mrs. Gandhi set back with her patrician air quietly waiting to harvest her martyr's crown. The demonstration of support that followed—with over 25,000 people offering themselves for arrest and outbreaks of violence at her imprisonment in several cities—must certainly have exceeded her expectations. Mr. Morarji Desai, the Prime Minister, has been made to look ineffective and politically inept, while Mrs. Gandhi is once again strutting out with her old self confidence.

The attention in her favour has been largely concentrated in the southern states of Andhra Pradesh, Karnataka, and Tamil Nadu. These were the states that were largely unaffected by the Emergency and which are coming to regard Mrs. Gandhi as their chosen daughter since she staged her return to Parliament last month through a conspiracy in Karnataka. She has yet to wipe out the memories of the sterilisation campaign that lost her the Northern Hindi belt in the 1977 general election. But in her image of Mataji—mother of the nation—and her appeal as protector of the lower castes, she strikes a chord across India that is unrivalled by any other politician.

The foolishness of Mr. Desai has been to force her back into active politics—and to provide her with a ready platform from which to fight—by a legalistic determination to bring her to book for what were undoubtedly the numerous excesses of power committed either by her or those responsible to her during the Emergency. In the 1977 election, Indian voters overwhelmingly rejected the Emergency and Mrs. Gandhi. To reinforce the lesson the Shah commission into the Emergency has shown how in the hands of an institution carved in and individuals abused their office. Pursuit of Mrs. Gandhi through the courts will no longer put that to rights or prevent a recurrence. The danger now is of the legal wrangle polarising Indian political life into what could be a continuing battle of recrimination and counter-recrimination.

It will be but a short while



Mrs. Gandhi—the martyr's crown

before Mrs. Gandhi is back in Parliament. The risk she stood in seeking election last month is that she is a poor debater which means that challenges from the Janata government benches could have brought a damaging blow to her prestige. The higher her popularity outside the House, the easier to duck such confrontations. Her first task on getting back to Parliament will be to harness as many of the Congress factions to her cause as she can before trying to tempt members of Mr. Desai's uneasy coalition into joining her. Mr. Desai has had in his favour plentiful harvests which have given two good years of economic growth. But there are likely to be an increasing number of deserters from his ranks if he cannot improve on his government's performance.

Super man

Superman finally reached the cinema in the form of a \$50m movie. And so did nearly a million dollars worth of superman artifacts destined for sale in the foyers to the comic book hero's fans. Unlike the makers of that other blockbuster 'Star Wars' who failed to see the potential and got their 'supplementary merchandising' out too late to catch the early rush, Warner Bros. the makers of 'Superman' have come prepared with no less than 1,000 bits of Supermerchandise. Warner Publications already own DC Comics (publishers of Superman comics) and Licensing Corp. of America which gets 6 per cent from the wholesale price of all toys, novelties and clothing bearing the Super-

man logo. Both DC Comics and LCA will receive two and a half per cent of the films gross. LCA has increased the number of its licences from 100 to 140. One of them, Atari Inc. also a subsidiary of Warner Inc. will be making electronic pin-ball machines for use in public amusement centres. Planters/Curtiss have the lollipops with Superman wrappers. The list is endless, from children's sleep wear and bed linen to figurines and Christmas ornaments.

Warner Books will be handling all the printed material: a Superman novel, an encyclopedia, a quiz book, a calendar, blueprints of the Arctic fortress in the inevitable making of Superman, the book about the film about the book. Warner Records have done the soundtrack and will put out two singles. And that just about covers all the angles under one giant umbrella.

A new marketing gimmick has been launched by a New York firm called National Screen Service (NSS) which has been supplying cinemas with press books, stills and display advertising for 50 years as well as showing Supermen in the shops it intends to grab the customers' right in the movie houses. NSS already has a heavy investment in the success of Superman: they have already bought \$250,000 worth of Superman merchandise that will retail at \$800,000.

In 475 of the 700 theatres showing Superman are booths called movie madness boutiques. They will have buttons, posters, T-shirts and kryptonite rocks that glow in the dark. 'The movie is a natural playground for the merchandise,' said Seymour Kaplan an executive of NSS. 'Why sell Superman shirts at Woolworth since the people who want to buy the stuff are the people who see the film. To sell merchandise you need a film that has drawing power and staying power we won't gamble on a film that might be a loser,' he said.

The age of the audience that wants a 'piece of the film,' Mr. Kaplan puts it is between 7-20 so the cost of the merchandise is held below 5. The theatres get roughly 50 per cent of the money.

Ball point

The best new building to have opened in London in recent years is probably Coutts' bank in the Strand, opposite London's

Charing Cross station. It is a contemporary design by the Nash brothers which can stand comparison with the Citicorp centre in New York.

Yet it is not out of keeping with the persona of the bank (which keeps the Queen's accounts) that it should provide old-fashioned school-type pens and ink for its customers in the first-floor banking hall. The pen with the detachable nib, so beloved of generations of schoolmasters, has now all but disappeared from the scene. Yet the advertising jingle 'They come as a boon and a blessing to men' The Pickwick, the Owl and the Waverley pen was once on as many lips as that of the Wonder of World 2 with the Esso Blue ditty have been more recently.

The pen nib was all-but killed off by the introduction in the middle 40s of the ball-point pen. Last year 193m ball-points were sold in Britain compared with just under 7m fountain pens. But whereas the number of pens has been slipping there was a sharp 14 per cent rise in ball-points.

Fountain pens tend to have something of a messy image whereas in this disposable age the throwaway ball-point stick is what modern living is all about. The stick is a lot cheaper, too, at 6p or so compared with anything between £3 and £50 for the average fountain pen.

Ball-points are changing all the time, too. A new breed coming on to the market has a plastic ball instead of the steel ball and liquid ink instead of the solidified ink now being used.

Nor is this the end of it. Fibre-tip pens, which originated in Japan as writing sticks dipped in a fluid, are selling fast. Last year 38m were sold, though as they have many applications it is not clear how many of them are bought just for writing.

For 'pure' writing there is nothing to beat the pen with a nib. Unfortunately, most of us prefer to 'draw' rather than 'write' and the attempt to be legible. Now, where did I put my ball-point...

Inside job

The main topic of conversation in Glasgow this weekend among those who have had any dealings with the BBC is who will follow Alastair Hetherington as Controller of BBC Scotland.

Hetherington resigned from his post on Thursday after a series of rows with the hierarchy in London and for a while the post is being held on a care-and-maintenance basis by Andrew Todd, deputy director of news and current affairs in London.

This is not a long-term solution, though, and all sorts of names are already being bandied about as possible successors to the former editor of the Guardian for the £17,000-a-year post.

It is generally conceded that the position will go to an insider. Hetherington arrived at the BBC after 20 years editing the Guardian and found the intricacies of BBC life very different from that of a smaller, more compact newspaper group. Someone who knows his or her way around the BBC is therefore certain to succeed him.

With the possibility of Scotland voting for devolution in the referendum on March 1 it is highly likely that the BBC will put in another Scot and a number of names are already being canvassed. Some, such as Alastair Burnet, newscaster at ITN and a former editor of the Economist as well as the Daily

Express, and Jeremy Isaacs, a controversial TV executive, are probably outsiders. Another being mentioned is Ian McIntyre, Controller of BBC Radio 2. McIntyre was for a short while Controller of Radio 4 and produced so many changes that he aroused great opposition. Although he has risen high in the BBC Mr. McIntyre has by no means spent all his life within the corporation.

He spent a spell within the Conservative Party and at one time stood for parliament against Mr. David Steel in Roxburgh, Selkirk and Peebles. Another expatriate Scot who is being mentioned is Charles McLelland, Controller of Radio 2. Unlike the others who are all Oxford or Cambridge men, McLelland was educated at Glasgow University but like Burnet he spent a spell on the Glasgow Herald as a sub editor.

Whoever gets the job will have a tough assignment. BBC in the regions is seen as a reflection of local interests and cultures. But the head men in London don't always have quite the same reverence for it, so controllers have to fight hard if they are to win air time nationally for their projects. This is where the clash comes.

Cheque list

Once upon a time a very senior executive of this paper was the only person in the whole of the company who did not receive his Christmas bonus. His closest colleagues and friends laughed and laughed and laughed and as the news spread round the building even more laughter could be heard. It was said that the only way the accounts side realised their mistake was the vast sum of money left at the end of the day which could not be accounted for.

Life catches up with those who laugh at others (even temporary) misfortunes—the pay cheque for November of one of the biggest cashiers was swash in the banking system for close on a fortnight. It was an interesting experience.

Her bank statement happened to arrive on Thursday November 30. Confidence, composure or laziness but it did not get opened until the Sunday. Judge of her horror—the big figure was missing! (not that big!)

Come the Monday morning the first telephone call was to her branch where a trembling-voiced girl confirmed the worst. A call to the accounts department established that the usual procedure had been followed with the company's banker and that—as had been suggested by a few really close mates—nobody was trying to get her a message. Accounts called the bank which presumably put its tracking system into gear.

Presumably because this is where it gets interesting. What followed was silence. Utter silence. Nobody telephoned to say they were sorry. Nobody telephoned to say they were doing their best. Nobody even worried if she was stony broke, about to go on the bad debtors register or into huge charges for overdrafts. She felt very lonely.

So the money went missing in the company's bank (no we don't own it—yet). The staff there didn't seem too worried either. But there was not a wholehearted open concern. In fact it was extremely difficult to get any sort of sense. No animosity, of course, just a sort of judicial 'we know best' atmosphere.

Apparently it all comes into bank security consciousness. In reality one suspects it comes into 'we don't want to tell.' At any event at some stage what is a black instruction from the FT to the bank gets broken down into the individual bits of paper. Here is where the nub is at. Her bank had changed

its name some years ago. The accounts department had continued paying on the old plate, was in. The banker rang to say the money was in. The banker rang to say the same thing. The accounts department—unfathomably interested—was pleased to hear the news.

But when the bank was approached on the grounds that the pure technicalities might make a slightly unusual story everybody became terribly shy. Odd.

Contributors

David Housego
Caroline Hyde
Tony Moreton
and Pamela Judge

Drink Industry Surveys 1979

The Financial Times is planning to publish a number of Surveys in 1979 on the Drink Industry. The titles and proposed publication dates of those planned are listed below. Other titles may be added during the course of the year.

- BREWING March 21
- LAGER August 2
- WHISKY October 5
- WINES & SPIRITS November 8

The Financial Times publishes over 250 separate surveys every year on a wide variety of subjects. The complete survey schedule is available on request.

For further information on Drink Industry Surveys or Run-of paper advertising, please contact,
Derek Rome,
Financial Times, Bracken House, 10 Cannon Street,
London EC4P 4BY
Tel: 248 8000 Ext. 7181.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

SUNDAY RADIO
SUNDAY EVENING
SUNDAY NIGHT
SUNDAY AFTERNOON
SUNDAY MORNING
SUNDAY BREAKFAST
SUNDAY LUNCH
SUNDAY DINNER
SUNDAY SUPPER
SUNDAY BEDTIME
SUNDAY WAKE-UP
SUNDAY NEWS
SUNDAY SPORTS
SUNDAY ENTERTAINMENT
SUNDAY FASHION
SUNDAY BEAUTY
SUNDAY HEALTH
SUNDAY TRAVEL
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY BADMINTON
SUNDAY TABLE TENNIS
SUNDAY SNOWBOARDS
SUNDAY SKIING
SUNDAY SKATING
SUNDAY CYCLING
SUNDAY HORSE RACING
SUNDAY GOLFING
SUNDAY FISHING
SUNDAY GARDENING
SUNDAY HOME
SUNDAY CHILDREN
SUNDAY PETS
SUNDAY HOBBIES
SUNDAY GOLF
SUNDAY TENNIS
SUNDAY RUGBY
SUNDAY FOOTBALL
SUNDAY CRICKET
SUNDAY HOCKEY
SUNDAY BASKETBALL
SUNDAY VOLLEYBALL
SUNDAY

Companies and Markets

Second half fall leaves Bluemel £50,000 off

A SECOND half fall from £190,035 to £135,411 left taxable profits of Bluemel Bros. behind at £325,466 for the year ended September 30, 1978 compared with a previous record £375,490. Turnover was up from £4.7m to £5.18m.

Mr. B. J. Ditcham, chairman, says that the industrial side of the business continued to expand throughout the year, but the market for cycle products at home declined in the second half and has not yet recovered, while competition in the export market for cycle products remains very fierce.

Production of steering wheels was hit during the last four months of the year due to strikes in the motor industry, he adds.

Earnings are given as 7.7p (8.59p) per 25p share and the dividend total is lifted to 3.82p (3.67p) net with an unchanged final of 2.17p.

Turnover was £5,177,067 (4,704,872) and profits £325,466 (£375,490). Corporation tax £148,832 (£160,629). Net profit £176,634 (£214,861). Interest £37,321 (£41,110). Proposed final dividend 3.82p (3.67p) net with an unchanged final of 2.17p.

Sobranie leaps to £87,580

A PRE-TAX profit leap from £31,059 to £87,580 in the six months to August 31 1978 is announced by Sobranie (Holdings) the cigarette and tobacco manufacturer. Turnover went ahead from £11.1m to £13.14m.

Pre-tax profits for the whole of last year were £184,000.

The half-year profits included a contribution from associated companies of £14,885, against £22,545. After tax up from £7,434 to £45,500 attributable profits came out at £44,580, compared with £26,850.

The interim dividend per 10p share is raised from 0.66p to 0.67p—last year's total was 1.76p. Stated earnings per share are ahead from 0.89p to 1.45p.

Edinburgh Industrial accounts carry heavy qualifications

BY CHRISTINE MOIR

AFTER A brief glance at the report and accounts for Edinburgh Industrial Holdings for the 17 months to March 31, 1978 it is quite clear why the shares have been one of the worst performers in the market.

The accounts carry a full page auditor's report which ends with the comment that the auditors, Tanley & Wills, "are unable to confirm that the accounts give a true and fair view of the company."

The auditors say that proper internal control over expenditure was not always maintained, although the directors now say that these defects have been rectified.

They also say that the sale of two ships from Southern Tankers was not recorded in the accounts according to standard accounting practice. If Standard 14 had been complied with the trading profit before interest and extraordinary items would have been £322,000 lower.

As it is the profit and loss account shows much worse picture than that revealed at the preliminary stage—and that here no resemblance to the profit forecast made at the Stock Ex-

DIVIDENDS ANNOUNCED

	Current payment	Date	Corre- Total Total	for last year
Bluemel Bros.	2.17	April 4	2.17	2.52
Cont. Stationery	0.9	April 8	0.9	2.52
Cronite	1.86	—	1.86	2.66
Home Brewery	4	—	3.84	4.7
Sobranie	0.67	Feb. 6	0.66	1.76

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues.

Increase for Home Brewery

PRE-TAX PROFITS of Home Brewery Company were lifted from £3.7m to £3.82m on turnover ahead from £23.02m to £25.38m in the year to September 30, 1978.

The Board says the company had contracted commitments of £2.1m, and projected capital spending over the next five years is estimated at more than £8m.

The profit was struck after interest received of £610,000 (£548,000), surplus on the disposal of assets £339,000 (£174,000) and depreciation £734,000 (£660,000). Tax for the year took £2.3m (£2.12m).

The final dividend of 4p, makes a total of 4.7p net per 25p share, compared with 4.34p for 1977. The company is a "close company."

Continuous Stationery up slightly

On turnover of £1.59m against £1.31m previous profits of Continuous Stationery rose 8 per cent from £114,120 to £123,276 for the six months to September 30, 1978 and it is expected that this level of profitability will continue for the second half. Profit for the 1977-78 year was £196,159.

First half earnings are 2.37p per 10p share compared with 2.18p and the directors announce an unchanged interim dividend of 0.9p net costing £22,500 (same) — last year's final was 1.62p.

Corporation tax took £64,100 (£59,500) leaving a net profit of £59,176 against £54,820. The amount retained was £36,676 (£32,120).

The company prints computer stationery.

Cronite lower than expected

PRE-TAX PROFITS of Cronite Group finished the September 30, 1978 year ahead at £255,939 against £258,292 previously, despite a second-half slip from £144,292 to £132,939.

The directors say that profits for the full period were lower than anticipated and positive action is being taken to increase the level of profitability.

Turnover rose to £8.57m compared with a previous £6.08m and net profit came out at £150,948 (£182,762) after a lower tax charge of £134,991 (£166,330).

Earnings are shown as 3.9p (3p) per 25p share and the dividend total for the year is stepped up to 2.96062p (2.41875p) net with a final payment of 1.86635p.

Cronite is an investment holding concerned with interests in the design, production and sale of castings and fabrications in alloys of nickel and chromium.

change's insistence at the time of the Southern Tanker takeover. The figures now released show pre-interest trading profits of £265,000 (including the £322,000 on the sale of the two ships which the auditors commented on). Interest charges were £5,000 greater than the trading profits leaving a small loss before tax.

Below the line, however, there are no less than £2m worth of extraordinary losses, £1.48m of which was goodwill written-off on Southern Tankers and £396,000 related to losses on the disposal of shares in subsidiaries. Unsurprisingly, none of these figures bear any resemblance to the preliminary accounts which showed trading profits of £221,000 turning into a loss of £480,000 after tax and exceptional and extraordinary items totalling £710,000.

Mr. Geoffrey Bilton, chairman, does not comment in his accompanying statement about the discrepancies beyond saying that the forecast pre-tax profits of £261,000 made in November, 1977 included a £2m fuel transaction which fell through and which would have contributed £240,000 to profits.

He also points out that the 1977 forecast had included figures for the loss-making EIH Electronics subsidiary, since sold. Excluding its losses from the forecast, increased the forecast profits to £350,000—even further removed from the actual figures.

The accounts are littered with other depressing figures such as the fact that shareholders funds are £810,000 compared with bank loans of £1.3m. There are also contingent liabilities of £711,000 including a £138,000 claim by Crystalate which Edinburgh has lost in the lower courts. Edinburgh is appealing against the judgment.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

Mr. Bilton's statement makes no reference to the company's current prospects although at the time of the takeover of Southern a forecast of £505,000 per tax profits was made for the 12 months to June 1978.

COMPANY NEWS

BIDS AND DEALS

Lead Industries buying Oster Group for £8m

Lead Industries, the non-ferrous metals, paints and chemicals group, is to buy the Oster Group of companies, the U.S. metals concern for \$15.16m (£7.9m). The British group says that the assets as well as manufacturing die from retained profits but also by medium term loans raised in the U.S. in addition \$8m of the purchase price is to be "paid on a five and ten year, deferred basis."

The group is buying the Oster metal service centres in Rhode Island as well as its metal fabrication and casting of special metal alloys operations.

It says that Oster's net tangible assets are valued at some \$12m (£6m) while Oster group pre-tax profits, including rental income, are currently running at around \$2.5m (£1.35m).

Lead Industries says that the acquisition complements its existing Fry's Metals business—smelters and refiners of lead and zinc as well as manufacturing castings in aluminium, zinc and magnesium.

The group already has close links with Oster. Earlier this year the two concerns set up Fry's Metals Incorporated as a joint venture in the U.S.

Mr. Richard Oster and Mr. Stephen Oster will be joining the new Lead Industries subsidiary to be named A. J. Oster Company—under five year service agreements.

Mr. Michael Henderson, a director of Lead Industries, Mr. Brian Carey and Mr. Allan Barnes, directors of Fry's Metal will also be joining the new Oster Board.

MEYER'S £1M PURCHASE
Keweenaw, a subsidiary of Montague L. Meyer has acquired the capital of Brymire Holdings of Ighiteam, Kent, for some £1.1m cash.

The consideration is dependent on the expected pre-tax profit for 1978 amounting to £250,000.

Brymire carries on the business of laminating vinyl foils on to chipboard and other boards for the production of components for Hi-Fi and television cabinets, furniture components and other industrial applications using sophisticated v-grooving techniques.

UNITED BISCUITS IN SHARE DEAL
United Biscuits (Holdings) and Meiji Seika Kaisha, in recognition of their Trading Relationship, are to make an investment in each others share capital.

UB has issued 500,000 shares for cash at 81p per share to Meiji, and in turn has acquired 500,000 shares from existing shareholders in Meiji. The investment in each case represents about 0.2 per cent of the share capital of each company.

Since 1972 UB and Meiji have co-operated in the production by Meiji of a range of UB products which have been sold in Japan by a jointly owned company, Meiji McBite.

The new UB shares will rank pari passu with the company's existing ordinary shares, but will not rank for the interim dividend paid on January 6.

CUMMINS ENGINE
As part of the internal rationalisation of Cummins' organisation in the UK the assets and undertakings of the Daventry branch of Cummins Diesel Sales Corporation are to be transferred to Cummins Engine Company with effect from December 31.

The business of the Daventry branch will not be affected in any way.

BIN PREF.
The scheme resulting in the acquisition of the preference stock of Berger, Jensen and Nicholson by Hoechst UK has been approved by the High Court and has become effective.

PREMIER'S \$52.2M OIL DEAL COMPLETED
Premier Consolidated Oilfields, the British independent oil company, announced completion of the purchase by Premier Western subsidiary of Premier's wholly owned subsidiary, Premco Petroleum Inc. of Dallas, Texas, of a 50 per cent working interest in 356,000 acres on seventeen separate prospects primarily located in the Rocky Mountain overthrust belt areas of Montana, Idaho, Utah, Nevada, Wyoming, New Mexico and Oregon.

The purchase was made from May Petroleum Inc. of Texas. The consideration paid by Premier was \$52.2m in cash and future work commitments.

Premco and May expect drilling operations on these prospects during the next two years.

ATLAS ELECTRONICS
Atlas Electronics Corporation has bought Arvin (Hongkong), a loss-making subsidiary of the Jardine Matheson Group through Zung Fu Company, Jardine Industries and the Jardine Snuggles Corporation Ltd. for a nominal figure.

Full provision for the loss on disposal will be made in Jardine's 1978 account, but the directors say that the disposal is not expected to have any material effect on the results for the year as anticipated when the interim results of Jardine were announced in October 1978.

Trading profits at Zung Fu, which held 49.5 per cent of Arvin, are forecast at HK\$23m after tax for the year to December 31, but in addition there will be provisions for Arvin and losses in another subsidiary, Brooklands, of HK\$19.5m.

NELSON DAVID
Nelson David has acquired Pipeblock, which operates a large leasehold premises in the Docking area, for £87,700 cash.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

for cash at 81p per share to Meiji, and in turn has acquired 500,000 shares from existing shareholders in Meiji. The investment in each case represents about 0.2 per cent of the share capital of each company.

Since 1972 UB and Meiji have co-operated in the production by Meiji of a range of UB products which have been sold in Japan by a jointly owned company, Meiji McBite.

The new UB shares will rank pari passu with the company's existing ordinary shares, but will not rank for the interim dividend paid on January 6.

CUMMINS ENGINE
As part of the internal rationalisation of Cummins' organisation in the UK the assets and undertakings of the Daventry branch of Cummins Diesel Sales Corporation are to be transferred to Cummins Engine Company with effect from December 31.

The business of the Daventry branch will not be affected in any way.

BIN PREF.
The scheme resulting in the acquisition of the preference stock of Berger, Jensen and Nicholson by Hoechst UK has been approved by the High Court and has become effective.

PREMIER'S \$52.2M OIL DEAL COMPLETED
Premier Consolidated Oilfields, the British independent oil company, announced completion of the purchase by Premier Western subsidiary of Premier's wholly owned subsidiary, Premco Petroleum Inc. of Dallas, Texas, of a 50 per cent working interest in 356,000 acres on seventeen separate prospects primarily located in the Rocky Mountain overthrust belt areas of Montana, Idaho, Utah, Nevada, Wyoming, New Mexico and Oregon.

The purchase was made from May Petroleum Inc. of Texas. The consideration paid by Premier was \$52.2m in cash and future work commitments.

Premco and May expect drilling operations on these prospects during the next two years.

ATLAS ELECTRONICS
Atlas Electronics Corporation has bought Arvin (Hongkong), a loss-making subsidiary of the Jardine Matheson Group through Zung Fu Company, Jardine Industries and the Jardine Snuggles Corporation Ltd. for a nominal figure.

Full provision for the loss on disposal will be made in Jardine's 1978 account, but the directors say that the disposal is not expected to have any material effect on the results for the year as anticipated when the interim results of Jardine were announced in October 1978.

Trading profits at Zung Fu, which held 49.5 per cent of Arvin, are forecast at HK\$23m after tax for the year to December 31, but in addition there will be provisions for Arvin and losses in another subsidiary, Brooklands, of HK\$19.5m.

NELSON DAVID
Nelson David has acquired Pipeblock, which operates a large leasehold premises in the Docking area, for £87,700 cash.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

WELLCOME ACQUISITION
Burroughs Wellcome, the U.S. subsidiary of the Wellcome Foundation, has acquired the Jensen-Salsbery laboratories division of Richardson-Merrell Incorporated.

ICFC SUPPORT
Industrial and Commercial Finance Corporation has invested in Trill Mini-replicas of Hove, Sussex, manufacturer of miniature replicas of antique furniture.

The finance has been used to equip leasehold premises at Brighton with specialised plant and machinery to increase substantially the company's productivity.

EMI MUSIC DEAL
EMI Music Publishing, a wholly owned subsidiary of EMI, has acquired Berry Music for about £250,000 cash. Berry Music is a music publishing company producing and publishing a wide range of music library, known to radio, television and film company users as the Conroy Music Library.

CANADIAN PAPER BATTLE

MacMillan Bloedel turns the tables on Domtar Inc

BY ROBERT GIBBENS

MacMillan Bloedel, Canada's largest forest-products company, in which Canadian Pacific has the biggest single stake, moved in a swiftly yesterday with a counterbid for Domtar Inc., the Montreal-based pulp-and-paper, building materials and chemicals group.

Canadian industry believes that behind the move is the continuing feud between the Conrad Black group, which now controls Argus Corporation, and the older members of the big Toronto holding company's management. Argus Corporation, founded by Mr. E. F. Taylor, after World War II, controls Domtar, Massey Ferguson, Dominion Stores, and Hollinger Mines, and several other companies. The Conrad Black group took control of Argus this summer.

On Thursday night, the Domtar board, on which sit two Argus directors, representing the old management, announced it would offer one Domtar share, plus C\$3 for each share of MacMillan or the equivalent of \$27.75 per MacMillan share, new in the market at about \$22. A minimum 51 per cent acceptance was sought. The price was well below the cost of the 12.4 per cent holding in MacMillan, acquired about a decade ago by Canadian Pacific.

Surprise bid
The Domtar bid was a surprise and greeted with some disbelief in the industry. Yesterday, MacMillan replied it revealed it had completed the purchase of 2.3m shares of Domtar or 20 per cent interest from Argus Corporation and its affiliate, Hollinger Mines at \$27.75 a share. Its offer of \$28 per share of Domtar applies pro rata to sufficient shares to bring its total holding to about 51 per cent of the outstanding equity at just over C\$400m (US\$270m).

However, the MacMillan statement from Vancouver gave a hint at possible dissension within the Argus group. MacMillan said it began talks with Argus on acquisition of the Argus-controlled block in Domtar about ten days ago, and that it intended to pursue vigorously the acquisition of Domtar. This strategy would strengthen MacMillan in the East and continue MacMillan's "dominance as a leader in the Canadian forest products industry."

MacMillan recently pulled out of negotiations for acquisition of Reed International's 82 per cent control of Reed Paper Limited.

Industry sources now speculate that the MacMillan talks with Argus and its controlling interest, headed by Mr.

THE WEEK'S COMPANY NEWS

Take-over bids and mergers

In contrast with the burst of activity last Friday week which saw three separate offers of around £20m apiece for seaweed processing group Aginate Industries, Leisure Caravan Parks and stamp dealers Stanley Gibbons, the week's run-up to Christmas has been extremely quiet on the bids and mergers front in common with other areas of stock markets.

No major developments have occurred, there are no new entries to this week's table and the one deletion is that of Midland Educational after the success of the Alfred Freedy offer.

Deals announced this week included the £1.7m acquisition of Ford main dealers Portland Motor Group by LCP Holdings, the property, manufacturing, and motor distribution group, while Boris House, F and O Group's house-building subsidiary, has for £4.45m, acquired B-Via Constructions, a leading Midlands-based housing company, and two associated companies.

Rotaflex, the electric light and systems manufacturer, has agreed to buy fluorescent strip and picture light manufacturer Linolite for an initial consideration of £1.1m and, possibly, a further £100,000 depending on Linolite's profits performance in the year to March 31, 1979.

Company bid for	Value of bid per share**	Market price*	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
Alginates	385-	358	309 1/2	21.01	Merck	—
Bunbury	75 1/2	76	58	7.56	Int'l Timber	—
Cedar Hldgs.	26*	24	19	9.6	Lloyds & Scot.	—
City of Aberdeen Land	103 1/2	100	57	0.93	Scot. Western Trust	—
City Hotels	190 1/2	178	126 1/2	5.68	Comfort Int'l.	—
English Property	37*	36 1/2	36 1/2	23.35	Wendell	—
Gibbons (Stanley)	304 1/2	300	228 1/2	18.67	Letraset	—
Haggas (John)	199 1/2	193	181	24.79	Dawson Int'l.	—
Kenn & Smith	10*	25 1/2	12	0.04	Unknown	—
Leisure Caravans	143*	140	112 1/2	19.9	Rank Org.	—
Middleton Hotels	300*	285	215	4.41	Ladbroke	—
Peetage of Birmingham	68 1/2	66	54 1/2	2.28	Ferguson Indusl. Holdings	—
Plantation Hldgs.	64*	63	64	12.88	Multi-purpose	—
Randalls	118 1/2	108	98	3.00	Whitcroft	—
Sabah Timber	69 1/2	68	34	12.07	Harrisons & Crossfield	—
Trident Group	100*	100	84	4.38	Argus Press	30/11
Printers	8*	7 1/2	1 1/2	1.74	S. W. Bedford	—
Turner Curzon	64 1/2	64	53	6.56	Mr. N. Gidney	—
Warne Wright & Rowland	41*	40	24.8	8	Priest	—
Warwick Eng.	95†	93	62	40.5	Bwkr. Sldly.	—
Westinghouse Brake						

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. †† Based on 21/12/78. ††† At suspension. †††† Estimated. ††††† Shares and cash. †††††† Based on 22/12/78.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
BOC Int'l.	Sept.	66,509 (82,200)	9.4 (14.5)	3.5 (3.13)
Granada Group	Sept.	34,016 (25,151)	12.6 (9.2)	2.82 (1.94)
Monfray	Sept.	1,050 (1,720)	3.4 (5.4)	3.12 (3.12)
Johnson (J & M)	Sept.	2,750 (2,290)	6.5 (5.6)	1.01 (0.81)
Nth. Brit. Steel	Sept.	1,010 (900)	8.7 (8.2)	2.03 (1.81)
Northern Foods	Sept.	22,307 (17,911)	13.0 (11.8)	2.75 (2.31)
Plaxton's	Oct.	2,420 (1,840)	25.1 (23.2)	4.75 (3.9)
Record Ridgway	Oct.	651 (2,410)	8.2 (20.6)	4.35 (4.5)
Seaford	Sept.	491 (800)	1.1 (1.8)	Nil (Nil)
Aug.	7,029 (4,370)	33.3 (23.8)	9.0 (6.07)	
Westinghouse	Sept.	6,232 (5,605)	10.4 (9.5)	2.37 (2.13)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Asoc. Dairies	Oct.	14,500 (11,500)	5.02 (0.65)
Batleys of York	Oct.	270 (252)	1.1 (1.0)
British Benzol	Sept.	551 (255)	0.5 (Nil)
British Steel	Sept.	1,230 (913)	1.5 (1.36)
Charterhouse	Sept.	9,810 (8,810)	2.69 (3.38)
Christy Bros.	Sept.	74 (68)	0.67 (0.66)
Cohen (A.)	June	620 (1,100)	2.15 (1.93)
Cooper Inds.	Oct.	908 (472)	0.5 (0.39)
Crown House	Sept.	1,480 (1,110)	2.03 (1.1)
Callens Stores	Aug.	40 (118)	0.67 (0.68)
Danks Gower	Sept.	409 (345)	0.7 (0.35)
Diamond Stylus	Sept.	80 (58)	0.28 (0.25)
Edwye	Sept.	1,584 (1,312)	2.27 (2.03)
Elliot (E.)	Sept.	104 (63)	1.0 (0.65)
Harris (Philip)	Sept.	478 (276)	1.45 (1.3)
Laurence Scott	Sept.	465 (1,024)	0.84 (0.77)
Leboff (S.)	Sept.	30 (877)	0.34 (0.77)
Landis	Oct.	3,524 (3,870)	3.3 (3.0)
Monk (A.)	Aug.	1,260 (970)	1.0 (1.0)
Norton & Wright	Sept.	740 (317)	0.73 (0.66)
Nova (Jray) Knit	Sept.	162 (103)	1.0 (0.5)
Paterson (J.)	Sept.	132 (584)	1.04 (1.04)
Pelbow Hids.	Sept.	1,127 (1,442)	1.5 (1.5)
Plym	Oct.	660 (456)	0.68 (0.54)
Radiant Metal	Aug.	74 (87)	0.55 (0.55)
Seal & Newcastle	Oct.	21,570 (23,100)	1.46 (1.35)
Tex Abrasives	Sept.	170 (229)	0.78 (0.78)
Tricentrol	Sept.	7,000 (8,387)	1.5 (1.5)
Unigate	Sept.	15,100 (8,300)	1.5 (1.33)
Wearwell	Nov.	308 (111)	0.3 (Nil)

Dividends shown net except where otherwise stated. (Figures in parentheses are for corresponding period.) * Adjusted for any intervening scrip issue. † Including special dividend due to change in tax rate. ‡ Total for year. Directors announced that company's offer for Allied Retailers is now unconditional and a 4.3p final will be paid. § Including second interim. ¶ Nine months. † Loss.

Scrip Issue

Granada Group: One for four.

SHARE STAKES

Lincoln and Williams — Mr. P. H. Giles, managing director, now holds 166,400 ordinary shares (16 per cent).
Brown and Jackson — Mr. P. W. Brown (managing director) has disposed of his shareholding of 246,000 ordinary shares. He is to retire from the board at December 31.
Bawley-Goodall Group — To take up his rights of convertible unsecured loan stock 1988-88 amounting to approximately £24,000, Mr. S. J. Bawley, a director, has sold 167,771 ordinary shares each to three directors of subsidiary companies.
John Menzies (Holdings) — Lt.-Col. C. A. Ramsey has disposed of 114,500 ordinary shares leaving a holding of 1,082,486 shares (7.88 per cent).
Maharajah — Mr. K. Maharajah, managing director, has recently been dealing in the company's shares. As a result, the auditors confirm, he is now interested in 144,000 shares (two per cent).
Maurice James Industries — Mr. L. N. James purchased this week 37,000 shares at 14p, 30,000 at 14 1/2p and 100,000 at 14 3/4p, making 167,000 in all.
De Vere Hotels and Restaurants — M. L. Muller and Mr. A. T. W. Harvey have sold 250,000 ordinary shares out of their joint holding. Following this sale, Mr. Muller's personal holding together with the joint holding with Mr. A. T. W. Harvey represents over 56 per cent of the capital.
Samford — Mr. J. G. Samford, director, has sold 19,000 ordinary shares at 40p.
Long and Hambly — Mr. J. L. Woodman, director, has disposed of 132,520 ordinary shares.
Sound Diffusion — Control Nominees has sold 205,500 shares in company.
Akroyd and Smithers — Crossfries Trust has sold 400,000 ordinary shares (five per cent) but still owns 400,000. Reason for sale which had been under consideration for some time, was to reduce proportion of portfolio invested in any single company. Intended to retain remaining 400,000 ordinary as a long-term investment.
Whitbread and Company — A trust in which Mr. S. C. Whitbread, a director, has an interest, has sold 100,000 "A" ordinary shares.
V. J. Lovell (Holdings) — National Car Parks has acquired 583,000 ordinary shares (3.04 per cent). NCP emphasises that these shares have been acquired as an investment.
Shipton Communications Purchase — Shipton Communications Group, a company owned by Mr. J. R. Harold and Mr. W. D. G. Greenhalf, has purchased the operating subsidiary of Shipton Automation from Bankers Trust International.
Reabrook Investment Trust — J. Chaytor, a director, has purchased 15,000 shares increasing his holding to 35,300 shares.

Machine tool industry revises targets

By Hazel Duffy, Industrial Correspondent

THE MACHINE tool industry, one of five designated for special attention under the Government's industrial strategy programme, has had to revise its export and productivity targets as a result of continued slack and intensified competition in world markets.

In its progress report to be presented to the National Economic Development Council in February, the economic development committee put the industry's targeted share of world markets in 1982 at 5.5 per cent. This is a whole percentage point below that in its last report. In 1977 the UK's share of machine tool world exports was 5.1 per cent, which means that exports must rise by 25 per cent if the 1982 target is to be achieved.

Target

On productivity, the target is for 10 per cent growth to cover ground lost in the recession, plus 24 per cent trend growth in sales per employee against 34 per cent in the 1977 report. The objective for home market sales remains unaltered at 58 per cent, which will require a 15 per cent increase by 1982.

The report warns, however, that achievement of its objectives "depends heavily on the general economic climate in the UK and has been adversely affected by the lack of expansion in recent years."

Investment by the automotive industry, the biggest single customer for machine tools, will enhance prospects. But "there are considerable uncertainties in this area, particularly arising from doubt about BL's re-equipment programme and the implications of the change in ownership of Chrysler UK."

Demand

The recovery in the home market has been patchy, with some firms operating at "unprecedentedly high levels of output and seeing further major growth ahead. The demand thrust is undoubtedly strongest for numerically-controlled machines and high-production machines generally."

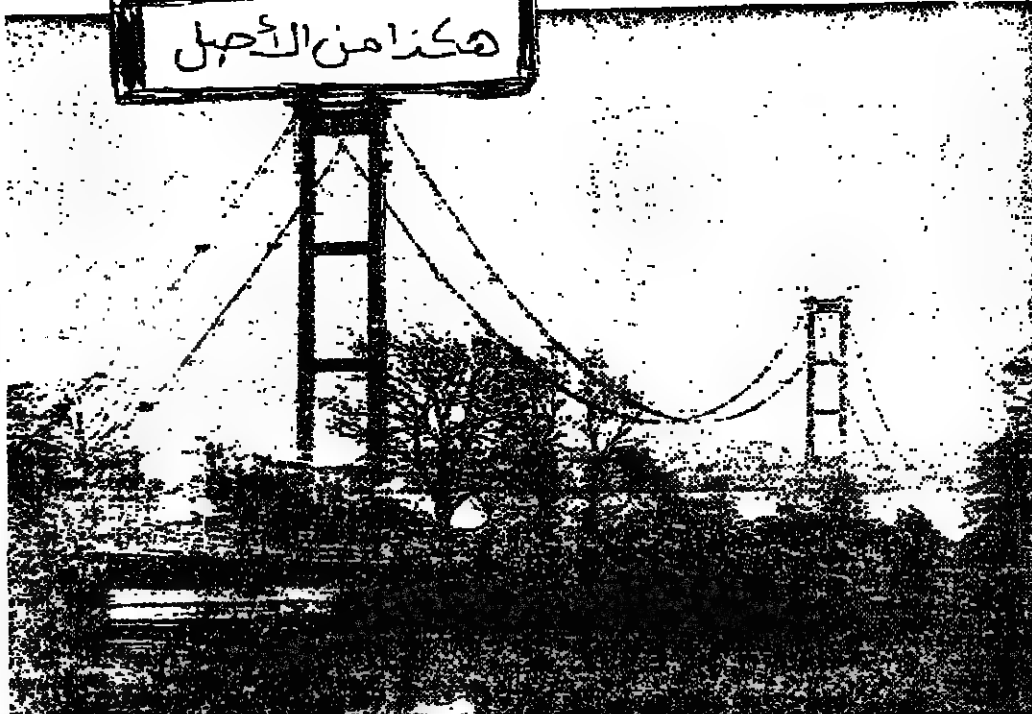
More rapid development of these types of advanced machines was called for in the last report, and the current report reviews some progress in this area. This has been helped by discussions held by the industry's research body and user industries, while product development projects accounted for a third of the industry's take-up of the Government's aid scheme. The report says, however, that "much remains to be achieved in the spheres of product development and manufacturing efficiency."

While the economic conditions worldwide have hindered the industry's export and import substitution plans, the emphasis on improving overseas marketing called for by the industrial strategy has produced some more positive results. In the American market, where big re-tooling programmes are being carried out by the automotive and aerospace industries, the UK has "substantially increased its share of U.S. imports of machine tools from Europe."

The report says, however, that "anxiety over inflation and the sterling/dollar rate is now increasing—and in fact already causing concern for business that has to be quoted in fixed prices some time ahead." Many export orders in addition to those for the American market are quoted in U.S. dollars.

It also points out that although product design, quality and reliability are very important, relative prices are assuming more importance in capital expenditure decisions. Price pressure is particularly significant in relation to Commonwealth exports—and the committee calls for the Government to see if it constitutes unfair trading.

Competition is also intensifying from third world countries with low labour costs. This is extending increasingly into quite advanced general purpose machines.



Humber bridge takes shape

The world's largest span bridge takes shape as steel workers "spin" 14,945 high strength steel wires into each of the main cables high over the River Humber, four miles west of Hull. The bridge will have a main span 4,325 ft long between the 500 ft high concrete towers. Steel boxes 60 ft long and 92 ft wide, that will form the bridge deck, have been assembled in a nearby railway yard and will be lifted into place when the cables are completed next year.

The bridge, designed by Freeman Hardy and Parturs, will cut road distances by as much as 50 miles, and will be the vital link to aid commercial development along both sides of the Humber Estuary.

The success story of Air Anglia

By MICHAEL DONNE

THE PAST year has been very good indeed for Mr. Jim Crampton and Mr. L. G. (Wilbur) Wright, and for the airline they founded and now run jointly from Norwich. For little more than eight years after they set up the Air Anglia in July 1970, with only one DC-3 twin-engine piston airliner, and no scheduled services, they have recently been awarded Europe's highest marketing trophy, the Institute of Marketing's National Award for 1978, to commemorate a year in which they exceeded 375,000 passengers, a turnover of more than £14m, and profits over £800,000. Added to this, they have ordered two of the latest twin-jet airliners from Fokker of Holland, and an 85 per cent stake in their airline has been acquired by the British and Commonwealth Shipping Group.

Air Anglia began in 1970 as the amalgamation of three small East Anglian companies—Norfolk Airways, Anglian Air Charter and Rig Air. Its earliest scheduled operations with the DC-3 were flights from Norwich to Edinburgh and Aberdeen, and then between Norwich and Rotterdam. The key to the airline's success in a field traditionally the graveyard of airline operators—UK domestic short-haul services by independent companies—has been a total change in marketing philosophy. Both Jim Crampton and Wilbur Wright not only recognised the increasingly significant business implications of the North Sea gas and oil operations, and the requirements they would generate for local flights up and down the East Coast (an area of slow, if not non-existent, surface transport), but also realised that instead of waiting for a market to emerge, they would have to go out and actively generate it.

Persuading

It was not easy. Initially, funds were limited, and businessmen took some persuading to fly in old aeroplanes like DC-3s on what seemed to be obscure routes. But by a process of flexible thinking, involving readjustments to the route structure, the management team and the aircraft fleet, together with the necessary indefatigable energy and drive to convince others that they were right, Jim Crampton and Wilbur Wright

turned the tide in their favour. They leased a Fokker F-27 twin-turbo-prop Friendship airliner, and so began a happy relationship with Fokker of Holland that continues to this day. The Norwich Union Insurance Company came in with some funds, more DC-3s were acquired, and the route network was restructured round an "iron triangle" of Norwich, Aberdeen and Amsterdam, and three strong traffic-generating points, within which much of the North Sea oil and gas industry exploitation is taking place, and within which the aim was and is to ensure that a passenger need look no further than Air Anglia's timetable to meet all his air travel requirements, whether for regularly-scheduled services or small private executive aircraft.

Routes

As a result, the business has prospered. By the end of 1973, there was a staff of 102, 45,000 passengers and a profit of £2,000. By the end of 1974, traffic had risen to 90,000, staff to 153, and the profit to £11,000. The DC-3s were phased out and more F-27s brought in. New routes, including Edinburgh-Amsterdam and Leeds-Bradford-Amsterdam were introduced. By end-1975, traffic was up to 145,000 passengers, staff to 275, and profits to £202,000.

The following two years, 1976 and 1977, saw more route additions and the founders could genuinely feel that their 1972 plans had been realised. They had created an effective domestic and international airline in an area where none had existed before. They had realised that it was not necessary to drive to London's Heathrow for international flights—the Air Anglia flights to Amsterdam offered a more convenient and faster alternative, although Air Anglia does now fly feeder-liner services from the East Coast (Norwich and Humberside) to Heathrow.

By the end of 1977 traffic had grown to 322,000 passengers, the staff to 453, and the profit to over £1m. This expansion continues. During the past year, new services have been added to the network, including

Humberside-Teesside-Glasgow, Norwich-Birmingham-Swansea-Newquay, Leeds-Bradford-Paris, and Edinburgh-Stavanger, with Stansted added to the Norwich-Leeds-Bradford-Edinburgh-Aberdeen route. The airline has also asked for a new route to Brussels. From this November, Air Anglia is serving no fewer than 18 airports—Aberdeen, Amsterdam, Bergen, Birmingham, Dublin, Edinburgh, Glasgow, Humberside, Leeds/Bradford, London (Heathrow), Newcastle, Newquay, Norwich, Paris (Orly), Stansted, Stavanger, Swansea, and Teesside, with Jersey also served in the summer. Since August, Air Anglia has been using its first jet—a leased, 65-seat twin-engine Series 1000 Fokker F-28 Fellowship, linking Edinburgh, Aberdeen and Newcastle with Paris and Aberdeen with Stavanger.

For the coming year, further expansion is planned. In May, the airline takes delivery of the first of two new Series 4000 F-28 jets, with capacity for 85 passengers each, and with greater range and cruising speed than the earlier Series 1000 (which will remain in service until the second Series 4000 F-28 is delivered in August).

Jetliners

Jim Crampton and Wilbur Wright are now looking towards their half-millionth passenger in the coming year. Their new link with British and Commonwealth Shipping Group (which also includes British Island Airways and now also British Air Ferries) ensures direct links with a substantial proportion of the rest of UK independent air transport. B & C will hold 85 per cent of Air Anglia, but Jim Crampton, Wilbur Wright and the Norwich Union will each hold 5 per cent. The airline will remain an entity in its own right, although there may be some rationalisation of services between Air Anglia, BIA and BAF. But coupled with the continued development of North Sea oil and gas operations, and the growing acceptance by the UK population of air travel, there seems to be no reason to doubt that Air Anglia will set new records, demonstrating that provided sufficient energy, expertise and funding can be applied to a bright idea, it can be made to work successfully.

Send your American business contacts THE BEST EXECUTIVE GIFT YET INVENTED*

American executives have nearly everything — except regular, reliable information on international business, edited specially for them. Now they can have that too, in the new Financial Times WORLD BUSINESS WEEKLY, published by the FT in New York every week.

When we printed a pilot issue of WORLD BUSINESS WEEKLY earlier this year, it carried 122 reports of major international developments that we felt would be of working value to American executives.

Then we compared our pilot issue with the coverage for that same week in the Wall Street Journal, the New York Times, Business Week, Forbes, Fortune and the Journal of Commerce.

We found that all of these distinguished journals — combined — had covered less than half of the wide-ranging stories in that issue of WORLD BUSINESS WEEKLY.

As a reader of the FT this will hardly surprise you, especially if you have ever crossed the Atlantic and found yourself surrounded by U.S. business papers, wondering what was going on in the rest of the world.

Many American business executives feel like that, as we discovered in three separate and intensive exercises in market research over the past fifteen months.

The FT's new WORLD BUSINESS WEEKLY will now fill the gap. It will of course draw on the extensive resources of the FT itself — plus our Business Information Service, our newsletters, and our other business publications.

This is what American readers who receive your gift will get in WORLD BUSINESS WEEKLY:

World Business Digest: Identifies the items of immediate interest. Plus a complete index of all companies.

International Financial and Company News: New ventures, new contracts, new experiments, new acquisitions; Case histories. Progress reports. Over the year every important decision by the world's top 1000 companies will be reported.

Industry News: What's happening everywhere in steel, oil, mining, aircraft, shipping, chemicals, textiles, construction, automobiles, electronics.

Products and Techniques: A rundown of the money-saving, time-saving, material-saving innovations around the world.

Corrections: Full coverage of changes in rates of all international currencies and markets, supported by tables.

Shareholders' Report: On stock markets everywhere buttressed by current prices in 19 different markets. Banking and Bonds: What the international banks are lending, to whom and for how much.

World Report: Economic and business news and developments. From every corner of the globe. In depth. People: Detailed individual profiles on personalities in the world of international business.

Plus: Special business briefs on International Bond Market • Eurodollar Market • Eastern Europe • Petroleum • Commodities • European Community • FT's world-renowned Tabular Reports. Plus: Survey Of The Week. An in-depth report on a single major market or industry. A searching, thorough, authoritative source of reference.

Plus: Editorials and comments on the news of international significance.

Now you can send your American business contacts this unique gift, plus the renowned FT businessman's desk diary, for only \$39.95. Send it now. In time for Christmas.

The diary alone sells for £14. It is bound in genuine calf leather.

The one year gift subscription would normally cost £50 on top of that. And we are selling single copies over there for \$2.50 (about £1.25). So \$39.95 is a significant saving on a gift worth \$64.

You know at least one American executive who will remember your gift with gratitude throughout the year. Send it to him now.

London Office: 112 Queen Victoria Street, London EC4Q 4BY. Tel: (01) 246 0000. Advertisement Manager: David Moody. New York Office: 25 Rockefeller Plaza, New York 10019 N.Y. Tel: (212) 245 7784. Advertisement Manager: David Moody.

FINANCIAL TIMES OF LONDON World Business Weekly

FINANCIAL TIMES WORLD BUSINESS WEEKLY IS FOR DELIVERY IN THE AMERICAS ONLY

To: Financial Times WORLD BUSINESS WEEKLY (Ann. David Moody)

112 Queen Victoria Street, London EC4Q 4BY

Please send a full year's subscription to WORLD BUSINESS WEEKLY, plus the renowned FT businessman's desk diary, for only \$39.95.

My own name and address is

Name _____

Address _____

State _____ U.S.A.

☐ I enclose a card to accompany my gift.

☐ Please send a card with my name on it.

☐ Cheque for _____ enclosed

☐ Bill my company

Each gift sent will cost \$39.95. Bulk orders over 5 subject to 10% discount; please list recipients on separate sheet.

The Financial Times Limited, Reg. Office: Bracken House, 10 Cannon Street, London EC4A 3DF. Registered in England Number 27790. (Incorporated in England)

EUROPEAN OPTIONS EXCHANGE

EUROPEAN OPTIONS EXCHANGE										
Series	Vol.	Jan.	Last	Vol.	Apr.	Last	Vol.	July	Last	Stock
AKZ F.30	15	0.50	10	2.30	2	3.30	2	3.30	F.29.10	
AKB F.32.50	—	—	—	50	1.50	—	—	2.50	—	
AKC F.30	—	—	—	4	24.00	—	—	8.80	—	F.74.90
AKD F.400	—	—	—	—	—	—	6	34.50	—	F.590.50
AKF F.440	—	—	—	—	—	—	5	1.19	—	824
AKG F.55	—	—	—	10	1.14	—	—	—	—	—
GQB F.30	—	—	—	7	5.50	—	5	8	F.146.00	
HO F.35	—	—	—	8	3.50	—	3	4.30	—	F.28.20
HO F.37.50	—	—	—	2	—	—	1	3.50	—	—
HO F.40	—	—	—	10	1.70	—	—	—	—	—
IBM F.290	3	94	—	2	109	—	—	—	—	888.54
IBM F.15M	8500	7	14	—	—	—	—	—	—	F.121
KLM F.120	11	4.50	—	85	8	—	1	8.50	—	—
KLM F.15	1	1.40	—	—	—	—	—	—	—	—
KLM F.140	1	0.50	1	3	9	5	1	5	—	—
KLM F.1.50	60	0.10	1	1	2	—	—	4	—	—
KLM F.1.70	—	—	—	1	—	—	—	2.80	—	—
KLM F.1.70	54	0.10	9	1	0.80	—	1	0.80	—	F.114.70
NN F.110	—	—	—	9	6.70	—	—	—	—	—
PHI F.75	—	—	—	—	—	—	5	2.30	—	F.220.20
PHI F.27.50	—	—	—	49	0.90	—	10	1.30	—	F.44.70
PHI F.30	—	—	—	83	0.50	—	7	—	—	—
PSA F.50	—	—	—	—	—	—	55.60	F.469	—	—
PSA F.50	—	—	—	13	12.10	—	—	—	—	—
PDA F.150	—	—	—	20	2.60	—	5	9.50	F.128.30	—
PDA F.150	—	—	—	—	—	—	1	4.20	—	—
UNI F.180	10	3	—	8	24	—	—	—	—	548.79
UNI XON	—	—	—	—	—	—	—	—	—	552.9
XRX F.60	8	—	—	—	—	—	—	—	—	—
		Feb.		May						
BA F.50	770	6	64	—	—	—	—	—	—	572.4
SLB F.50	—	10	24	—	—	—	—	—	—	—
SLB F.50	890	2	64	—	—	—	—	—	—	890.5
TOTAL VOLUME IN CONTRACTS							755			

1250 134 (19:12)
 1251-126 (19:12)
 126-127
 127-128
 128-129
 129-130
 130-131
 131-132
 132-133
 133-134
 134-135
 135-136
 136-137
 137-138
 138-139
 139-140
 140-141
 141-142
 142-143
 143-144
 144-145
 145-146
 146-147
 147-148
 148-149
 149-150
 150-151
 151-152
 152-153
 153-154
 154-155
 155-156
 156-157
 157-158
 158-159
 159-160
 160-161
 161-162
 162-163
 163-164
 164-165
 165-166
 166-167
 167-168
 168-169
 169-170
 170-171
 171-172
 172-173
 173-174
 174-175
 175-176
 176-177
 177-178
 178-179
 179-180
 180-181
 181-182
 182-183
 183-184
 184-185
 185-186
 186-187
 187-188
 188-189
 189-190
 190-191
 191-192
 192-193
 193-194
 194-195
 195-196
 196-197
 197-198
 198-199
 199-200
 200-201
 201-202
 202-203
 203-204
 204-205
 205-206
 206-207
 207-208
 208-209
 209-210
 210-211
 211-212
 212-213
 213-214
 214-215
 215-216
 216-217
 217-218
 218-219
 219-220
 220-221
 221-222
 222-223
 223-224
 224-225
 225-226
 226-227
 227-228
 228-229
 229-230
 230-231
 231-232
 232-233
 233-234
 234-235
 235-236
 236-237
 237-238
 238-239
 239-240
 240-241
 241-242
 242-243
 243-244
 244-245
 245-246
 246-247
 247-248
 248-249
 249-250
 250-251
 251-252
 252-253
 253-254
 254-255
 255-256
 256-257
 257-258
 258-259
 259-260
 260-261
 261-262
 262-263
 263-264
 264-265
 265-266
 266-267
 267-268
 268-269
 269-270
 270-271
 271-272
 272-273
 273-274
 274-275
 275-276
 276-277
 277-278
 278-279
 279-280
 280-281
 281-282
 282-283
 283-284
 284-285
 285-286
 286-287
 287-288
 288-289
 289-290
 290-291
 291-292
 292-293
 293-294
 294-295
 295-296
 296-297
 297-298
 298-299
 299-300
 300-301
 301-302
 302-303
 303-304
 304-305
 305-306
 306-307
 307-308
 308-309
 309-310
 310-311
 311-312
 312-313
 313-314
 314-315
 315-316
 316-317
 317-318
 318-319
 319-320
 320-321
 321-322
 322-323
 323-324
 324-325
 325-326
 326-327
 327-328
 328-329
 329-330
 330-331
 331-332
 332-333
 333-334
 334-335
 335-336
 336-337
 337-338
 338-339
 339-340
 340-341
 341-342
 342-343
 343-344
 344-345
 345-346
 346-347
 347-348
 348-349
 349-350
 350-351
 351-352
 352-353
 353-354
 354-355
 355-356
 356-357
 357-358
 358-359
 359-360
 360-361
 361-362
 362-363
 363-364
 364-365
 365-366
 366-367
 367-368
 368-369
 369-370
 370-371
 371-372
 372-373
 373-374
 374-375
 375-376
 376-377
 377-378
 378-379
 379-380
 380-381
 381-382
 382-383
 383-384
 384-385
 385-386
 386-387
 387-388
 388-389
 389-390
 390-391
 391-392
 392-393
 393-394
 394-395
 395-396
 396-397
 397-398
 398-399
 399-400
 400-401
 401-402
 402-403
 403-404
 404-405
 405-406
 406-407
 407-408
 408-409
 409-410
 410-411
 411-412
 412-413
 413-414
 414-415
 415-416
 416-417
 417-418
 418-419
 419-420
 420-421
 421-422
 422-423
 423-424
 424-425
 425-426
 426-427
 427-428
 428-429
 429-430
 430-431
 431-432
 432-433
 433-434
 434-435
 435-436
 436-437
 437-438
 438-439
 439-440
 440-441
 441-442
 442-443
 443-444
 444-445
 445-446
 446-447
 447-448
 448-449
 449-450
 450-451
 451-452
 452-453
 453-454
 454-455
 455-456
 456-457
 457-458
 458-459
 459-460
 460-461
 461-462
 462-463
 463-464

51 (1972)
 35 (1972)
 18 4
 (100) 242
 (1972)
 (100) 54 (1972)
 107
 118121. 714000.
 1972)
 O-P

01 102. 8pcM, 08C
 56
 (10) 42
 2
 0 34
 0 86
 12501 850 8
 4 (18/12)
 1) 24 (18/12)
 71 800, 7140 20.

771.9. New (25p)
 97 6 1/2 (19/12)
 2 250/120
 901 (25p) 243
 9 3120 60 31. 14pc
 41

42 4 (20172)
 23
 index 1250 1244
 8.25pcP 9220 71
 81721 7pcLn 52%
 pl 98 6 71mcDh
 111 111

(25p) 72 (18/12)
(10p) 133 (18/12)
99.57 (5p) 2712
17
105 (18/12)
84pCLB. 991-
(20p) 38 (20/12)
1. 27 (18/12)

29
(RD.50) 337 (18/12)
" (20/12) 26 (19/12)
in Finance Sec. SCL
(20/12)

191

010 A-N-V (25p)

[illegible]

NAME GUIDE

POSITS
 earns of 3.10
 for deposits
 3 10
 174 134
 and various
 for industry
 01.923 7322
 C. A. R. E.
 L.

1

[illegible]

2000 年 12 月 10 日

Equity trade smallest since 1974

But 30-share index hardens 1.1 to 479.3

Account Dealing Dates

*First Declared Last Account
Dealings Date
Dec. 11 Dec. 28 Dec. 29 Jan. 2
Jan. 2 Jan. 11 Jan. 12 Jan. 23
Jan. 15 26 Feb. 6

The shortened and final day of trading in stock markets before the Christmas holiday produced the smallest volume of business in equities since 1974. Yesterday's official markings of 1,793 compared with the 1,143 established on December 27, 1974, which is the lowest recorded figure apart from freak war-time occurrences. Despite the thinness of trade, however, leading equities hardened a penny or two in places with the exception of the low coupon Treasury 3½ per cent 1979/81 up ½ to 89. Sentiment throughout the funds was encouraged by renewed hopes that short-term interest rates may begin to ease early in the New Year.

Largely because of the shortened trading period and seasonal influences, yesterday's 110 was the lowest number of contracts completed in the Traded Option market since dealings began on April 27. The week's daily average was 255. The former (the taken by the investment currency market since the Government's clarification of the UK-IRish exchange control position on Monday continued yesterday and, after a quiet trade, the premium closed ½ to the good at 83½ per cent for a rise on the week of ½. Yesterday's SE Conversion factor was 0.7071 (0.7123).

H.K. & Shanghai

Hong Kong and Shanghai featured Banks with a rise of 1½ to 24½ on the combination of domestic and investment currency influences. Elsewhere, home banks edged higher with NatWest finishing 6 to the good at 288½ and Lloyds 4 dearer at 282½. Improvements of 4 and 5 respectively were also seen in the Overseas Chinese, 182½, and Cater Ryder, 270½.

Composite Insurance closed with occasional improvements. Royals added 5 at 365½ and Eagle Sir 2 to 136½.

Gairneer again featured an idle. Gairneer sector rising 1 more for a two-day gain of 10 at 168½.

Certain Contracting and Con-

struction issues made limited progress; Taylor Woodrow continued firmly, adding 5 for a two-day gain of 13 at 416½, while Richard Costain and Marchwell hardened 3 apiece to 236½ and 118½ respectively. In Cements, Blue Circle moved up 3 to 271½, but speculative counter-Tunnel 3 held at 322½. Recently arm Johnson-Richards Tiles gave back a penny at 105½.

ICI firmed 4 to 369½ on occasional demand, but Elson held at the overnight level of 303½. William Ransom found support and, in a thin market, advanced 5 to a high for the year of 300½. Yorkshire Chemicals put on 2 to 82½.

Electrical leaders were barely tested, but occasional interest was shown in secondary stocks where Electronic Rentals continued to respond to recent Press comment and improves further to 150½. Press mention was also responsible for a rise of a penny

A small investment demand enabled British to improve further, the shorts gaining ½ and the medium/longs a little more on occasions. Sporadic interest in a restricted market took the low coupon Treasury 3½ per cent 1979/81 up ½ to 89. Sentiment throughout the funds was encouraged by renewed hopes that short-term interest rates may begin to ease early in the New Year.

The former (the taken by the investment currency market since the Government's clarification of the UK-IRish exchange control position on Monday continued yesterday and, after a quiet trade, the premium closed ½ to the good at 83½ per cent for a rise on the week of ½. Yesterday's SE Conversion factor was 0.7071 (0.7123).

H.K. & Shanghai

Hong Kong and Shanghai featured Banks with a rise of 1½ to 24½ on the combination of domestic and investment currency influences. Elsewhere, home banks edged higher with NatWest finishing 6 to the good at 288½ and Lloyds 4 dearer at 282½. Improvements of 4 and 5 respectively were also seen in the Overseas Chinese, 182½, and Cater Ryder, 270½.

Composite Insurance closed with occasional improvements. Royals added 5 at 365½ and Eagle Sir 2 to 136½.

Gairneer again featured an idle. Gairneer sector rising 1 more for a two-day gain of 10 at 168½.

Certain Contracting and Con-

Linrad were on offer at 33p, down 2.

Second thoughts on the impressive interim results left Unigate 2 better at 76p. Elsewhere in Foods, Tesco put ½ to 64p and Spillers edged up fractionally to 51p. Still buoyed by the Board's confident statement on current trading, Avana added a penny to 74p for a rise of ½ on the week.

Hotels and Caterers featured Trust Houses Forte which improved from the outset to close 4 to the good at 265½.

Glaxo friendless

Continuing to reflect a leading broker's bearish circular, Glaxo fell away further on fresh sporadic offerings to close a net 3 lower on balance at 515½, after 513p. Beecham, on the other hand, added 6 to 620p and Reed International hardened a penny more to 155p, the latter still on hopes that its annual subsidiary sale talks will reach a

report concerning Sun Chemical Corporation's intended fund-raising which led to hopes that it might lead to a full bid for the former which rose 3 to 43½ for a two-day gain of 5. Newspapers and allied firms were also active. News International added 5 to 270p, while Daily Mail A put on 3 to 358p.

Properties included one or two notable firm spots. Speculative demand took Guildhall up 7 to 95p and buyers supported Property Partnership which gained 6 to 106p. A good market of late on the sale of the AMA building in New York. Centrovind Estates added a penny to 94p for a rise on the week of 8.

Although trading in Oils remained at a low ebb, the underlying tone held steady to firm. British Petroleum edged up 4 to 330p, while Shell put on a few pence to 578p. Among the North Sea hopefuls, Oil Exploration, 22½, and Stebens (UK) 270p, firmed 2 apiece.

Movements in the Trust sector were limited to a few pence either way. Among Financials, Charterhouse Group responded to the annual results with a rise of 2 to 65p.

Courtaulds firmed 2 to 119p. Elsewhere in Textiles, gains of 3 were marked against John Foster, 49p and Lister, 51p, while Sanderson Murray firmed a few pence to 42½ following a small business.

Golds improve

A good performance by the bullion price over the week following the generally satisfactory result to Tuesday's U.S. Treasury auction of 15m ounces of the metal enabled South African Golds to close the week on a high note. Also boosting sentiment in the share market were vague rumours of a possible revaluation of the Rand, coupled with a fresh rise in the investment premium.

The Gold Mines index put on 1.9 to 141.1 for a week's improvement of 10.4, while the ex-premium index added 0.6 to 98.5 for a gain of 3 points on the week.

Randfontein advanced ½ to 238½, while West Driefontein put on ½ to 222½ and Hartbeest and Van Reefs ½ apiece at 211½ and 212½ respectively. Mediums showed gains of around 20 common to East Driefontein, 68p, Western Deep, 73p and President Steyn, 63p.

South African Financials made modest headway in subdued trading. AngloGold put on another ½ to 215½, while Gold Fields of South Africa hardened ½ to 211½.

Australians edged upwards following a further rise in overnight Sydney and Melbourne markets and the higher investment premium.

Properties included one or two notable firm spots. Speculative demand took Guildhall up 7 to 95p and buyers supported Property Partnership which gained 6 to 106p. A good market of late on the sale of the AMA building in New York. Centrovind Estates added a penny to 94p for a rise on the week of 8.

Although trading in Oils remained at a low ebb, the underlying tone held steady to firm. British Petroleum edged up 4 to 330p, while Shell put on a few pence to 578p. Among the North Sea hopefuls, Oil Exploration, 22½, and Stebens (UK) 270p, firmed 2 apiece.

Movements in the Trust sector were limited to a few pence either way. Among Financials, Charterhouse Group responded to the annual results with a rise of 2 to 65p.

Courtaulds firmed 2 to 119p. Elsewhere in Textiles, gains of 3 were marked against John Foster, 49p and Lister, 51p, while Sanderson Murray firmed a few pence to 42½ following a small business.

Golds improve

A good performance by the bullion price over the week following the generally satisfactory result to Tuesday's U.S. Treasury auction of 15m ounces of the metal enabled South African Golds to close the week on a high note. Also boosting sentiment in the share market were vague rumours of a possible revaluation of the Rand, coupled with a fresh rise in the investment premium.

The Gold Mines index put on 1.9 to 141.1 for a week's improvement of 10.4, while the ex-premium index added 0.6 to 98.5 for a gain of 3 points on the week.

Randfontein advanced ½ to 238½, while West Driefontein put on ½ to 222½ and Hartbeest and Van Reefs ½ apiece at 211½ and 212½ respectively. Mediums showed gains of around 20 common to East Driefontein, 68p, Western Deep, 73p and President Steyn, 63p.

South African Financials made modest headway in subdued trading. AngloGold put on another ½ to 215½, while Gold Fields of South Africa hardened ½ to 211½.

Australians edged upwards following a further rise in overnight Sydney and Melbourne markets and the higher investment premium.

FINANCIAL TIMES STOCK INDICES									
	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20
Government Secs.	68.07	68.55	68.49	68.50	68.56	68.50	68.50	68.50	68.50
Fixed Interest	70.37	70.31	70.33	70.08	70.11	70.17	70.17	70.17	70.17
Industrial	479.25	478.9	478.9	478.1	478.1	478.1	478.1	478.1	478.1
Gold Mines	141.1	139.8	141.4	140.8	133.7	130.7	131.5	131.5	131.5
Gold Mines (Ex-£pm)	98.9	99.2	101.0	101.2	98.5	96.8	96.7	96.7	96.7
Ord. Div. Yield	6.09	6.03	6.03	6.06	6.00	6.00	6.00	6.00	6.00
Earnings '74 (p. full)	15.79	15.83	15.83	15.96	16.07	15.86	16.79	16.79	16.79
P/E Ratio (incl. P)	8.25	8.21	8.10	8.12	8.00	8.10	8.44	8.44	8.44
Dealings (mrd)	1,793	3,593	3,080	3,403	3,398	3,530	2,210	2,210	2,210
Equity turnover £m.	46.94	61.98	60.31	65.30	61.10	61.10	61.10	61.10	61.10
Equity bargains total	0.597	10.338	12.385	13.019	12.641	12.641	12.641	12.641	12.641
10 m 470.0	11 m 470.3	10 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3
10 m 470.0	11 m 470.3	10 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3
10 m 470.0	11 m 470.3	10 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3
10 m 470.0	11 m 470.3	10 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3
10 m 470.0	11 m 470.3	10 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3	11 m 470.3

HIGHS AND LOWS S.E. ACTIVITY									
	1978	Since Compil'n	1978	Since Compil'n	1978	Since Compil'n	1978	Since Compil'n	1978
Govt Secs.	78.58	67.92	127.4	48.18	63.2	105.9	63.2	105.9	63.2
Fixed Int.	81.27	69.30	150.4	80.28	61.5	117.3	61.5	117.3	61.5
Ind. Ord.	555.8	454.4	540.5	49.4	18.5	30.8	18.5	30.8	18.5
Gold Mines	206.6	125.1	443.3	43.5	107.0	130.0	107.0	130.0	107.0
Gold Mines (Ex-£pm)	132.5	90.5	357.1	54.3	32.5	24.4	32.5	24.4	32.5
Ord. Div. Yield	6.09	6.03	6.03	6.06	6.00	6.00	6.00	6.00	6.00
Earnings '74 (p. full)	15.79	15.83	15.83	15.96	16.07	15.86	16.79	16.79	16.79
P/E Ratio (incl. P)	8.25	8.21	8.10	8.12	8.00	8.10	8.44	8.44	8.44
Dealings (mrd)	1,793	3,593	3,080	3,403	3,398	3,530	2,210	2,210	2,210
Equity turnover £m.	46.94	61.98	60.31	65.30	61.10	61.10	61.10	61.10	61.10
Equity bargains total	0.597	10.338	12.385	13.019	12.641	12.641	12.641	12.641	12.641

LONDON TRADED OPTIONS									
Option	Expiry	Price	Vol.	Offer	Vol.	Offer	Vol.	Offer	Vol.
BP	1980	10	—	42	1	65	15	980p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—

OPTIONS									
Option	Expiry	Price	Vol.	Offer	Vol.	Offer	Vol.	Offer	Vol.
BP	1980	10	—	42	1	65	15	980p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—
BP	1980	10	—	42	1	65	15	178p	—

RISES AND FALLS									
	Yesterday	On the week	Yesterday	On the week	Yesterday	On the week	Yesterday	On the week	Yesterday
Govt Secs.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fixed Int.	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Ind. Ord.	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Gold Mines	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Gold Mines (Ex-£pm)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Ord. Div. Yield	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings '74 (p. full)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/E Ratio (incl. P)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dealings (mrd)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity turnover £m.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity bargains total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NEW HIGHS AND LOWS FOR 1978

NEW HIGHS (9)									
	1978	1977	1976	1975	1974	1973	1972	1971	1970
Govt Secs.	78.58	67.92	127.4	48.18	63.2	105.9	63.2	105.9	63.2
Fixed Int.	81.27	69.30	150.4	80.28	61.5	117.3	61.5	117.3	61.5
Ind. Ord.	555.8	454.4	540.5	49.4	18.5	30.8	18.5	30.8	18.5
Gold Mines	206.6	125.1	443.3	43.5	107.0	130.0	107.0	130.0	107.0
Gold Mines (Ex-£pm)	132.5	90.5	357.1	54.3	32.5	24.4	32.5	24.4	32.5
Ord. Div. Yield	6.09	6.03	6.03	6.06	6.00	6.00	6.00	6.00	6.00
Earnings '74 (p. full)	15.79	15.83	15.83	15.96	16.07	15.86	16.79	16.79	16.79
P/E Ratio (incl. P)	8.25	8.21	8.10	8.12	8.00	8.10	8.44	8.44	8.44
Dealings (mrd)	1,793	3,593	3,080	3,403	3,398	3,530	2,210	2,210	2,210
Equity turnover £m.	46.94	61.98	60.31	65.30	61.10	61.10	61.10	61.10	61.10
Equity bargains total	0.597	10.338	12.385	13.019	12.641	12.641	12.641	12.641	12.641

ICI	21	5	389	+	+	346	280
BAT Inds.	25p	4	284	+	+	346	280
Sand'son Murray	50p	4	423	+	3 1/2	45	280
Shell Transport	25p	4	578	+	2	602	484
Distillers	25p	3	203	-	1	215	163
Fodens	50p	3	56			69	45
Grand Met.	50p	3	1144	+	1	121	85
GKN	25p	3	256			295	242
Lawtex	25p	3	78			85	65
Lloyds Bank	25p	3	232	+	4	297	242
Metal Box New	Ni/pd.	3	54pm			70pm	45
NatWest	25p	3	233	+	6	298	250
Royal Insurance	25p	3	365	+	5	425	336
Castles & New castle Brews.	20p	3	61	-		72	60

The above list of active stocks is based on the number of bargains

Food machinery valuers

Firework Displays

MAN OF THE WEEK. Nuclear reactor vendor

BY DAVID FISHLOCK

LATE ONE night in June, 1977, near Dounreay on the north coast of Scotland where Rolls-Royce and Associates has built and operates a pressurised water reactor for the Navy, the new chairman of this defence company threw down a challenge. Mr Ray Whitfield told Peter Goodwin, his managing director, he believed he could open a new market for Rolls-Royce in civil nuclear power, based on nearly two decades of experience in leading a consortium building reactors for the Navy. He set himself a target of 15 months to "do something about it".



This week, to the consternation of some parts of the nuclear industry—both at home and abroad—Whitfield revealed what he "something" was to be. Rolls-Royce has joined forces with Combustion Engineering in the U.S. and Northern Engineering Industries in Britain to launch a new international nuclear reactor vendor. His plan is to apply to CE's design of PWR—popular with the U.S. electricity industry, but which has never found a buyer abroad—the "cradle-to-grave" responsibility for nuclear plant. Rolls-Royce operates with evident success for the Navy. Whitfield is no newcomer to nuclear technology. Now 49—he looks younger—his background combines physics and

mechanical engineering. He worked for the Admiralty at Harwell, then with Vickers, before joining Rolls-Royce in 1960, becoming successively managing director of three of its divisions—Rolls-Royce and Associates, Industrial and Marine, and Bristol Engine. Serious illness cost him a year of his career. But two years ago, fully recovered, Sir Kenneth Keith, Rolls-Royce's chairman, offered him a new seat on the main Board from which to think about the company's longer-term future. Whitfield persuaded his chairman that, above all, the company should try to capitalise upon its long experience of nuclear energy, dating from a Westinghouse licence negotiated by the Navy in the 1950s. Two problems loomed: first, how to persuade the Navy to relax the tight secrecy in which all activities of Rolls-Royce and Associates was shrouded. Sir Kenneth's personal efforts in Whitehall have been invaluable here this year. The second problem was how to find a niche in an international nuclear market depressed by the post-1973 recession and its impact on electricity demand. Whitfield talked with the international PWR suppliers. With a single exception, he believes, they see Britain simply as another long-term market to capture, not as a manufacturing base from which to supply overseas markets. CE, however, has never licensed its reactor out of the U.S. It wanted a launchpad for a world market. The scheme they worked out was that Britain should become the manufacturing and project management base for CE's overseas nuclear activities—even for the U.S. market itself. Northern Engineering Industries, which CE had links on the fossil-fuel side, would provide a broad manufacturing base. Whitfield knows that unless the new venture RNC (Nuclear)—chairman Sir Kenneth Keith but no MD yet—wins the order for Britain's 1,300 MW PWR demonstration, it will find "lift-off" much harder as an international supplier. But he says it would have never come into existence if the long-sought restructuring of the National Nuclear Corporation had materialised. Ray Whitfield's first tasks for the New Year are to persuade the electricity industry to order CE's System 80 reactor and to persuade the Government that the nuclear industry should now be restructured into two dedicated teams, for gas-cooled reactors and water reactors, living harmoniously together, perhaps with cross-links forged by Government holdings.

Namibian Assembly agrees to poll plan

BY QUENTIN PEEL

WINDHOEK — The South African-sponsored Constituent Assembly in Namibia yesterday agreed in principle to plans for a United Nations supervised election in the territory, next year. But it set out a series of preconditions for acceptance of such a scheme.

The move put forward by the Democratic Turnhalle Alliance (DTA), the major party in the assembly keeps alive hopes of an internationally agreed settlement in Namibia following the controversial South African-run "internal" elections held this month.

The DTA spelled out its position after an appeal from Mr. P. W. Botha, the South African Prime Minister, that the Constituent Assembly elected in Namibia this month should seek an internationally acceptable settlement.

However, it is unclear whether the preconditions laid down will be acceptable to the United Nations, which is expecting a report from the South African Government before the end of the year on the question of U.N. elections.

The preconditions include a deadline of September 30 next

year for the elections. Another deadline of January 28 for an answer on the issue from the UN Security Council, and a call for UN troops to monitor the guerrilla bases of the South West African People's Organisation (SWAPO) in Angola, as well as South African military bases inside Namibia.

However, the resolution put forward by Mr. Drik Mudge, the DTA chairman did not make the conditions binding on the South African government.

The resolution says that UN recognition of SWAPO as the sole authentic representative of the inhabitants of Namibia is a "serious irregularity".

The decision by the Constituent Assembly coincided with the release from detention of Mr. Daniel Tjongarero, the deputy chairman and senior internal leader of SWAPO. Two other SWAPO internal leaders were also released.

Mr. Tjongarero was detained with five other SWAPO executive members on December 7 after explosions in Windhoek at the start of the South African-organised elections. Three executive members are still in detention.

Threatening

The DTA proposals followed Wednesday's day-long meeting between members of the Constituent Assembly and Mr. P. W. Botha as well as Mr. P. K. Botha, the Foreign Minister.

The cautious phrasing of the DTA resolution belies some of the strong words spoken since the election in the territory on preconditions for a further poll, suggesting that Mr. Botha presented a threatening picture of the dangers of an internal solution at the meeting on Wednesday.

As well as the deadlines the major provisions include that no South African troops should

Ward fails to stop Tunnel's deal with Barrow

By Andrew Taylor

SHAREHOLDERS of Tunnel Holdings yesterday approved the group's £10.5m purchase of Barrow Refractories' specialist chemicals division. In spite of strong opposition from Thomas Ward, Tunnel's biggest shareholder.

Ward controls a 29.9 per cent stake in Tunnel. It voted against the deal but failed to gain enough support to block the acquisition.

Shareholders controlling almost 2.5m shares voted in favour of the takeover, while more than 1.9m votes, largely representing the Ward stake were cast against.

The issue had gone to a poll after a show of hands, in which Ward objected to the deal.

Abstained

Ward, the Sheffield iron and steel, heavy engineering and motor distribution concern, did not give reasons for its objections at yesterday's meeting. It is understood that the decision to vote against the acquisition was taken at a Ward board meeting on Thursday.

Previously Mr. Peter Frost, Ward's chairman, had not joined his fellow Tunnel directors in recommending the deal. He said that he had abstained in order to give the Ward board time to consider the deal.

Yesterday's meeting of Tunnel ordinary shareholders was well attended and 68 per cent of the eligible votes were cast in the poll. Ward, however, was unable to persuade more than a handful of other shareholders to join its camp.

A meeting of Tunnel will be asked to approve the deal and the early repayment of loan stock at a meeting in London next Friday.

Cruelty claims

THE CAMPAIGN for Single Homeless People yesterday called upon the Prime Minister to intervene in the controversy over allegations of ill-treatment of homeless men at the Camberwell Reception Centre.

BP hits second snag over Veba

BY ADRIAN DICKS

BONN — British Petroleum's prospective DM 500m (£216m) deal with Veba, West Germany's largest oil and energy group, for a huge restructuring of the two groups' interests in West Germany ran into a second serious objection yesterday.

The Cologne-based Monopolies Commission recommended to Count Otto Lambsdorff, the Economics Minister, that he should limit the stake BP wants to take in Veba's Ruhrgas subsidiary to 9 per cent, rather than the 25.05 per cent envisaged in BP's provisional agreement with Veba last June.

Admitting that the Minister has no direct power to bring about this reduction, the commission argues that the German Government should make use of its 44 per cent shareholding in Veba—an action that would be sharply at variance with Bonn's stated policy of non-interference in the affairs of industrial companies in which it is the controlling shareholder.

The Monopolies Commission report, unlike the earlier objection raised by the Federal Cartel Office to the deal, does not suggest its prohibition.

It accepts the two companies' argument that acquisition by BP of a holding in Ruhrgas would be a potential benefit if it added a new source of natural gas supplies to those Ruhrgas already has on a long-term contract basis.

The commission argues that a 9 per cent stake in Ruhrgas would give BP a weight in the company in line with that of the other major international oil groups which have stakes in West Germany's biggest natural gas concern.

A 25.05 per cent stake, on the other hand, would give BP too much power. The commission does not accept arguments by both companies that the complex structure of intermediary holding companies would effectively limit BP's control.

The report is in no sense binding upon Count Lambsdorff when he comes to decide whether to let the deal go ahead or to accept the earlier objections by the Cartel Office.

However, the commission has a right to be consulted before the deal is put to a public hearing (expected to open in mid-January) at which all parties can state their case.

Stewart Fleming adds from New York: Citibank, the second largest U.S. commercial bank said yesterday that it would not increase its prime lending rate in line with the rise to 11 1/2 per cent set by one of its main New York competitors, Chemical Bank.

The decision stems from the arithmetic which the bank uses to establish its prime rate.

Citibank adjusts its prime rate according to a formula tying movements to interest rates in the commercial paper market over the previous three weeks. It said that this formula does not indicate a change this week.

But Citibank has indicated that it is no longer sure that the current formula is appropriate in today's money market conditions, and is examining possible alternatives.

When Chemical Bank announced the quarter point increase in its prime on Wednesday, it was widely expected that other banks would follow suit.

Inflation rate slower in U.S.

BY DAVID SUCHAN

WASHINGTON—The U.S. inflation rate, as measured by the consumer price index, rose by 0.5 per cent in November, the first full month after the introduction of President Jimmy Carter's voluntary counter-inflation programme. The November rise is the smallest since July.

This index is the gauge which politicians and the electorate will tend to use to assess the success or failure of the Carter pay and price restraint guidelines. This one month's slowdown in the rate of price increases, however, may be just a hiccup in an otherwise strong inflation trend.

Consumer prices over the past three months have risen at an annual compound rate of 8.6 per cent, and the Administration goal had been to bring the 1979 rate down to 6-6.5 per cent.

This week, Mr. Michael Blumenthal, the Treasury Secretary, admitted that prices next year would probably rise by 7 per cent or more, because of the Organisation for Petroleum Exporting Countries' oil price increase.

The New Year will also see increases in payroll taxes and the minimum wage.

Mr. Blumenthal has predicted strong growth in the last three months of 1978, but this forecast is not entirely borne out by the 0.9 per cent decline in manufacturing orders in November, which the Commerce Department announced on Wednesday. It was the first decline in four months.

Stewart Fleming adds from New York: Citibank, the second largest U.S. commercial bank said yesterday that it would not increase its prime lending rate in line with the rise to 11 1/2 per cent set by one of its main New York competitors, Chemical Bank.

The decision stems from the arithmetic which the bank uses to establish its prime rate.

Citibank adjusts its prime rate according to a formula tying movements to interest rates in the commercial paper market over the previous three weeks. It said that this formula does not indicate a change this week.

But Citibank has indicated that it is no longer sure that the current formula is appropriate in today's money market conditions, and is examining possible alternatives.

When Chemical Bank announced the quarter point increase in its prime on Wednesday, it was widely expected that other banks would follow suit.

THE LEX COLUMN

How Peter got panned

Index rose 1.1 to 479.3

Peter was a strange, moody creature, a bewitcher and between, neither one thing nor the other. He was certainly no ordinary fund manager, though he looked very like one. He was often to be found in the City of London, but although the other fund managers were for ever looking out to see what they could see, for years they hardly ever caught even a glimpse of him.

This all changed one remarkable night when Peter came to visit them in their room at the Institute where they were all fast asleep under the care of their nurses, two large floppy ostriches which went under the strange names of Napf and Loa.

Peter began to speak. The first of the fund managers to stir was called Prudence, and she awoke with amazement to see him dancing about the room. Buzzing about through the air near him was a bright little red light, which every now and then gave off puffs of smoke.

One by one, the other fund managers woke up and rubbed their eyes. "Once I was like you," Peter told them, "but one day I heard my trustees talking about what I should have to do when I got bigger and it sounded horrid. So I ran away to Never-Never Land, where fund managers can have great adventures and no beneficiaries ever grow old enough to make claims against the funds!"

At that the red light stopped still and let off a shower of red sparks. "Don't be afraid of my fairy, Tinker Bunn," cried Peter. "He likes to get his hands on other people's funds. But you won't come to any harm so long as I am nearby to protect you."

He looked around the room. "Why don't you come away with me?" he invited. "All of you except those who would run away instead of fighting a proper battle against the pirates." He cast a scornful glance towards a group of Scottish fund managers skulking in a corner (some of them were still asleep).

"But how will we get there?" asked Prudence. "Oh, I'll teach you to fly." Peter promised easily. "That's nothing." He went from one fund manager to another, rubbing something on their shoulders. "Voting power," he explained. "Now all you have to do is weaken your valuation basis and then—where—away we go!"

They soared up into the evening sky and soon Tower Bridge, St. Paul's Cathedral and the Institute of Actuaries were swallowed up in the mist over London. Rising higher and higher, Peter and his friends

seized her and roughly stroked her soft young face.

Then something terrible happened. Her face was nothing more than a mask! It fell off revealing that in reality True Temper was a toothless old squaw. "Ha, Ha! I have fooled you," she cackled. "You will never get rid of me now!"

Even worse was to come. When the pirates roved back they found that the redskins had tricked them by sneaking away from the battle and occupied their ship. Luckily Peter and the institutions arrived, and feeling sorry for the pirates they offered to help. In a thrilling fight they mounted a counter-attack.

The struggle was long and bitter and the Allegheny redskins fought hard. In the end the pirates would get back the bridge and the upper deck, but the redskins would continue to occupy the rest of the ship. And there was no knowing whether the redskins would one day begin another cunning attack at dawn. As everybody knows, the white man's courage is at its lowest ebb.

Peter was happy as he led the fund managers back to their base. But his new friends were not. Some were bleeding where they had been hurt in the fight, all were becoming very homesick.

So the fund managers persuaded Peter to take them all the way home. As they flew back into their own room at the Institute the two floppy ostriches took their heads out of buckets of sand for long enough to give squawks of pleasure at the return of the wanderers.

"Won't even you come with me, Prudence?" pleaded Peter. "There are so many more exciting adventures in store. We have to defend ourselves against the Black Baron of the Showers, who is brewing trouble in his Den of Lions. And we must travel over the highest mountain peaks in Never-Never Land to persuade Sir Harold to make the right judgments in his Domesday Book."

Prudence shook her head and Peter sadly said goodbye as he floated off into the starry sky once again. But what the fund managers did not notice was that the little red light of Tinker Bunn had sneaked into the room with them!

It seemed as though he, too, preferred fund managers to be quiet and sleepy and not full of courage and darddevily as they were in Never-Never Land, so far away.

UK and Scandinavia in air pact

BY WILLIAM DUFFLORCE

STOCKHOLM—Britain signed need air services agreements yesterday with Denmark, Norway and Sweden, opening the way for new scheduled routes and cheaper fares.

The agreements also break new ground in civil aviation because they allow airlines to fly between any airport in the UK and any airport in the Scandinavian countries.

The airlines have agreed to reduce the normal economy fares by 5 per cent from next summer. This reduction, allowing for inflation, represents a cut of up to 15 per cent in real terms, according to Mr. George Rogers, the chief British negotiator.

The new economy fares will be in addition to cheap advanced purchase Excursion (Apex) fares introduced on Scandinavian routes this winter. Some scheduled Scandinavian flights to London will be switched from Heathrow to

Gatwick Airport. Both Scandinavian Airlines Systems (SAS) and British Airways will operate one flight daily from Copenhagen to Gatwick from next April. British Airways will start daily services from Gatwick to Stockholm in 1980, and SAS will open up an Oslo-Gatwick route in 1981.

The new agreements preserve the status quo for the charter companies. At one point, the British side had threatened to revoke the "Fifth Freedom" for Scandinavian charter airlines to fly to Britain from all three Scandinavian countries.

Negotiations were successfully concluded at the eleventh hour after six rounds of tough bargaining over several months. The Scandinavians had ended the existing agreements from the end of this month, arguing that they offered too many advantages for British carriers. The dispute began in October last year, when the Danish

authorities refused to allow British Midland Airways to open a service between Birmingham and Copenhagen. The British authorities retaliated by banning SAS flights to Manchester and Glasgow.

The first new services will start next year. SAS will fly between an airport in Jutland and London, and British Airways will open the Birmingham to Copenhagen route. British Midland is understood to have dropped its claim in this route under an arrangement with British Airways.

Danair will open new services between Edinburgh and Bergen and between Newcastle and Oslo in 1980. The existing routes flown by Danair, British Caledonian and Air Anglia will continue.

SAS now has full reciprocal rights to enter any of these routes. It also gets the right to serve Dublin via any point in the UK.

But SAS is not fully satisfied with the new agreements. "Even though they do not give us a 100 per cent satisfactory solution, I think we should be able to live with the situation and serve our customers in a completely satisfactory manner," Mr. Carl-Olov Munkberg, SAS's managing director, said.

He pointed out that SAS had failed to get the right to fly to Hong Kong. But Mr. Tore Soegh, the Norwegian chief negotiator, said it had been agreed that a joint proposal by SAS and British Airways for a Scandinavian-Hong Kong route would be favourably considered by the British Authorities.

Mr. Rogers, the British negotiator, said the agreements represented a thorough overhaul of air services arrangements between the four countries which should last the rest of the century.



He's trained. He's good. He's blind.

You're looking at Mike Brace. Age 26, and a winner. Judo green belt. Hot at skiing, fencing, canoeing, football, ice-skating, life saving. A cross-country skiing contestant for Britain in the 1976 Winter Olympics for the Disabled. And blind since he was ten.

How do you get to be that good when you're blind?

Largely it's your own drive and determination. And partly it's training. Mike is the living proof that rehabilitation and training for the blind really works.

Training the blind to live and work 'like you and me' is the lifework of the RNIB. Please help us to carry on with it through your legacies and donations.

RNIB
ROYAL NATIONAL INSTITUTE FOR THE BLIND
224 GREAT PORTLAND STREET, LONDON W1N 6AA

Under the Finance Act 1975, bequests to charities up to a total of £100,000 are exempt from Capital Transfer Tax. Registered in accordance with the National Assistance Act 1948.

Registered at the Post Office. Printed by St. Clement's Press for the RNIB. By the Financial Times Ltd, Bracken House, Cannon Street, London, EC4A 3DF. © The Financial Times Ltd, 1978.

Microchip plant for Bristol

BY JOHN LLOYD

INMOS, the company established by the National Enterprise Board to manufacture micro-electronic chips, will site its research centre in Bristol after all.

The NEB confirmed yesterday that an industrial development certificate had been granted for the research centre in Bristol, the first of five Inmos plants. The four others will be manufacturing centres.

The board said that the consultancy company, FA International, has been appointed to make a countrywide survey of possible sites for the four manufacturing centres.

Questionnaires will be sent to regional authorities next month. The report is not expected until early summer. A decision on the production plants will thus be delayed for some months.

It had been hoped that the

first of the four plants could be announced by the spring.

Prof. Iann Barron, one of the three co-founders of Inmos, and managing director of its UK operations, said that the Inmos board had a completely open mind on locations, though it recognised that development areas had special claims.

South Wales, which has been canvassed in the industry as a possible location because of its proximity to Bristol and relatively good road links to Heathrow, might be an attractive site, he said. But it had not yet been clearly established that the production plants would necessarily benefit from being near the research centre.

No final decision has been made on the site of the complementary but much larger research centre to be established in the U.S.

Prof. Barron said that it was likely that the U.S. centre would be in "a pleasant city, like Bristol."

The Bristol centre will specialise in design of some types of microprocessors and in microcomputer systems. It is thought that much of the microprocessor design, and all the design of memories, a key element of Inmos' future production, will be in the U.S. Bristol will employ about 50 people by the end of 1979.

The announcement by the NEB ends a period in which it appeared that its hand had been forced by Inmos.

Earlier this month advertisements inviting applications for jobs at Bristol were placed in newspapers. The NEB then issued a statement that while Inmos favoured Bristol the NEB had not ratified the decision.

Weather

UK TODAY

FOG clearing slowly. Rain later.

London, S.E., S., S.W., E. and

BUSINESS CENTRES

	Y day	Y day	Y day	Y day
	midday	midday	midday	midday
Amster.	16	16	16	16
Bahia	16	16	16	16
Bombay	16	16	16	16
Buenos	16	16	16	16
Calcutta	16	16	16	16
Canton	16	16	16	16
Cebu	16	16	16	16
Hankow	16	16	16	16
Hong Kong	16	16	16	16
Kobe	16	16	16	16
London	16	16	16	16
Lyons	16	16	16	16
Manila	16	16	16	16
Medan	16	16	16	16
Osaka	16	16	16	16
Paris	16	16	16	16
Shanghai	16	16	16	16
Singapore	16	16	16	16
Tokyo	16	16	16	16
Yokohama	16	16	16	16

مكتبة الأصيل